

**NEW YORK STATE
OFFICE OF TEMPORARY AND DISABILITY
ASSISTANCE**

**HOMELESS HOUSING AND
ASSISTANCE PROGRAM**

**ANNUAL REPORT
to the
Governor and the Legislature**

2009



David A. Paterson, Governor

Introduction

The Homeless Housing and Assistance Program (HHAP) provides capital grants and loans to not-for-profit corporations, charitable organizations, municipalities and public corporations to acquire, construct or rehabilitate housing for persons who are homeless and are unable to secure adequate housing without special assistance. Projects eligible for HHAP funding may serve families, single persons, youth, and the elderly, as well as a range of special needs groups such as homeless persons with mental illness, victims of domestic violence, veterans and persons with HIV/AIDS.

The Homeless Housing and Assistance Program was enacted by Chapter 61 of the Laws of 1983. In June of 1990, a public benefit corporation was established to administer the program. The corporation, known as the Homeless Housing and Assistance Corporation (HHAC), is a subsidiary of the New York State Housing Finance Agency (HFA), and is administered by staff of the New York State Office of Temporary and Disability Assistance (OTDA).

HHAP was the first program in the country to target substantial financial resources for the development of homeless housing. Since the inception of HHAP, New York State has led the nation in the advancement of the idea that more than bricks and mortar is needed to humanely provide housing for the more vulnerable members of society. Through HHAP, New York was a pioneer in the development of housing for people (including families) living with HIV/AIDS, low demand housing for persons with mental illness and/or chemical dependency, and transitional re-entry programs for formerly incarcerated men and women.

Moreover, HHAP meets a distinct need within New York by developing housing that falls outside the purview of traditional low- and moderate-income housing initiatives. HHAP has provided capital funding for a wide range of housing types for various homeless special needs populations, including but not limited to:

- emergency and transitional facilities for victims of domestic violence;
- transitional housing for adolescents aging out of foster care;
- programs for homeless and runaway youth;
- transitional programs for people in recovery; and
- supported housing for veterans, people living with HIV/AIDS, persons leaving correctional facilities, persons who are chemically dependent, chronically homeless individuals, and persons with severe and persistent mental illness.

In many instances, HHAP is the only state resource available to fund the capital development of these types of projects.

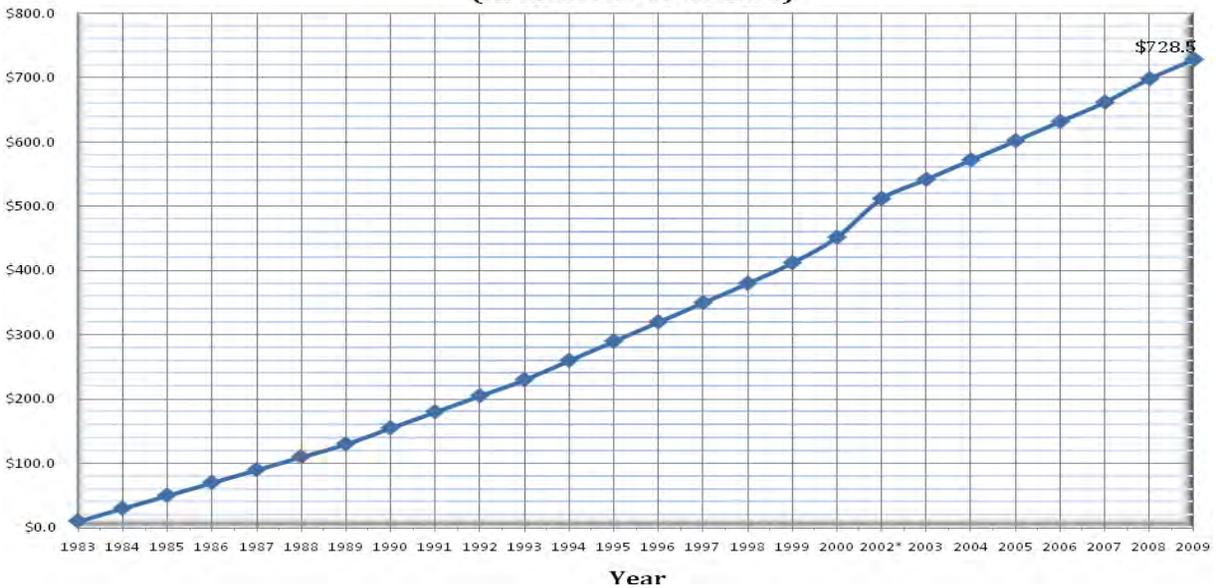
Program funds are awarded through a Request for Proposals process. Applicants and awardees represent a broad range of not-for-profit and charitable organizations, generally with experience either in housing development or management, or in the provision of social services. A relatively small number of grants have also been made to municipalities.

HHAP, in conjunction with all the programs administered by the Bureau of Housing and Shelter Services within OTDA, is designed to move families and individuals from homelessness and poverty toward the greatest level of self-reliance and economic independence they are capable of achieving.

Summary of Awarded Funds

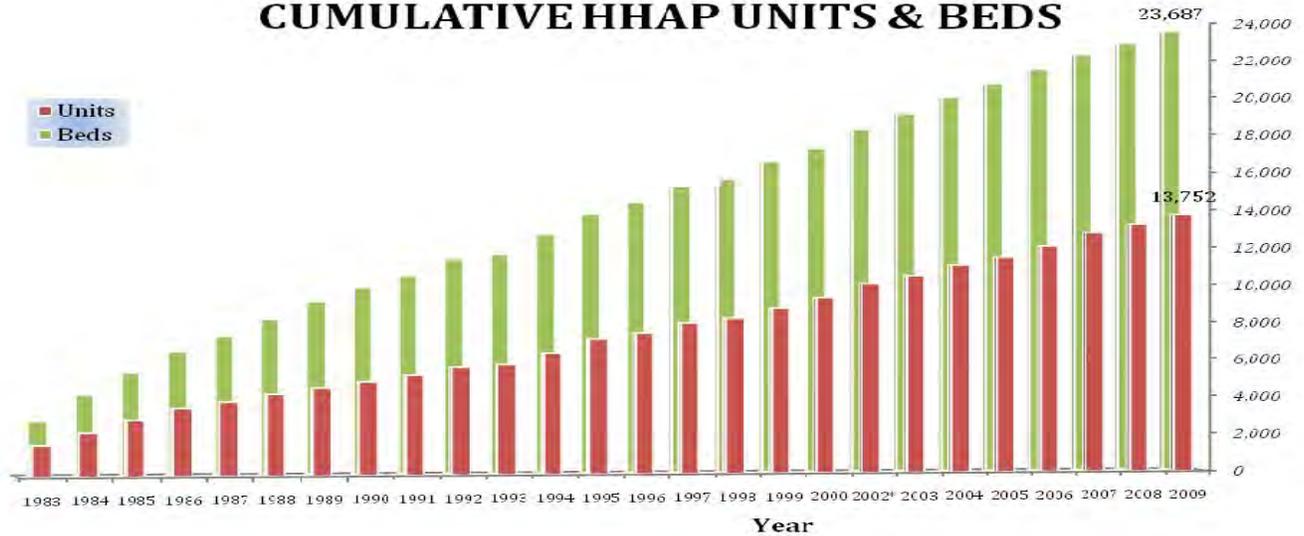
HHAP capital funds are primarily available for those costs related to the actual process of housing development: property acquisition; demolition and site work; rehabilitation or new construction; equipment costs; and architectural and other professional fees. Since the inception of the program in 1983 through SFY 2009-10, the state has appropriated \$728.5 million to contribute toward the development of over 13,750 units of housing.

CUMULATIVE FUNDS APPROPRIATED 1983-2009
(in millions of dollars)



For SFY's 1983-84 through 2009-10

CUMULATIVE HHAP UNITS & BEDS

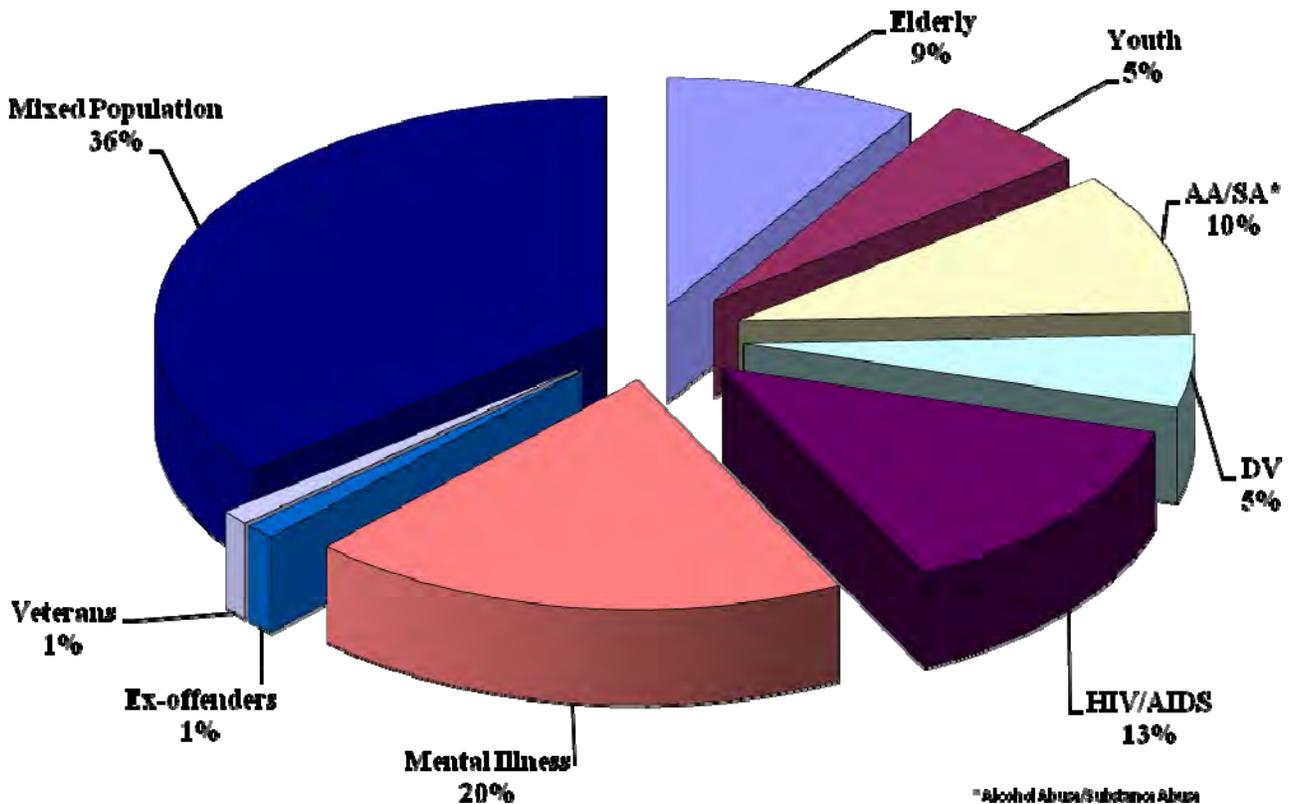


*SFY 2001-02 and 2002-03 appropriations were combined into one funding round.

Populations Served by HHAP

Homelessness is often the result of underlying challenges that families and individuals must address in order to attain the highest level of independence possible. Each year, the HHAC selects projects that assist specific homeless sub-populations based on a determination of need. Over the history of HHAP, funding has been provided to develop supported housing for homeless single persons and families; homeless persons with mental illness; homeless persons with Human Immunodeficiency Virus (HIV) and/or Acquired Immune Deficiency Syndrome (AIDS); adolescents aging out of foster care; parenting teens; domestic violence (DV) victims and their families; elderly persons; veterans; and persons leaving correctional facilities. The chart below shows the units funded, and identifies the special populations they serve.

Special Population Units Awarded 1983-2009



OTDA recognizes that the primary focus in developing housing for homeless and special needs households must be on the full range of needs of the population, not just the housing. HHAP realizes the importance of assisting tenants to move toward greater self determination and economic sufficiency and incorporates social services components into the operation of the program accordingly. Housing is essentially a foundational service in the supportive services approach to the homeless facing multiple barriers to independence.

New York/New York III

On November 3, 2005 New York State and the City of New York signed the New York/New York III Supportive Housing Agreement. Under this agreement, the State and City mutually agreed that supportive housing is a cost effective tool to address the multiple challenges faced by many homeless persons and that the portfolio of supportive housing programs in New York City needs to be increased to address the problem of chronic homelessness among individuals and families.

New York/New York III includes numerous target populations. OTDA, through the Homeless Housing and Assistance Program, has committed to develop 1,000 units of housing for chronically homeless single adults who suffer from a serious and persistent mental illness or who are diagnosed as mentally ill and chemically addicted (MICA).

The SFY 2009-10 HHAP RFP included supportive housing for chronically homeless single adults who suffer from a serious and persistent mental illness or who are diagnosed as mentally ill and chemically addicted (MICA) developed in accordance with the New York/New York III Agreement as a priority for funding. As of December 31, 2009 a total of seven proposals requesting NY/NY III were received requesting support for both the HHAP-identified priority population as well as other populations eligible under the broader definition. Of those, four projects were selected for funding.

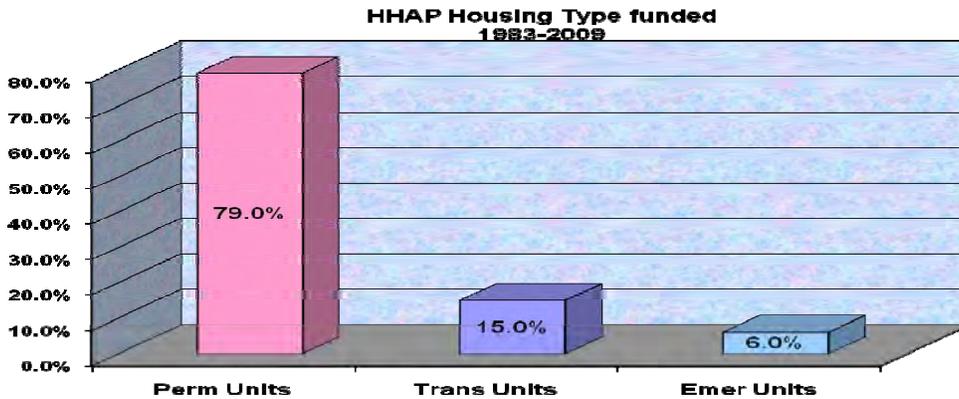
- **Common Ground Community** - \$5,580,554 to newly construct 161 units in Brooklyn. The project will create 100 units of homeless housing; the remainder will be for low income individuals. Of the homeless units, 64 will be reserved for chronically homeless single adults who qualify for NY/NY III services, and 36 will be reserved for chronically homeless single adults who are living with HIV/AIDS who also qualify for NY/NY III services.
- **Concern for Independent Living** - \$5,572,614 to newly construct 91 units of permanent housing in Brooklyn distributed as follows: 18 units for chronically homeless single adults eligible for NY/NY III services; 42 units for single adults living in State-operated psychiatric centers or transitional residences who also qualify for NY/NY III; 30 units for low-income individuals and families with incomes between 50% and 60% of AMI; and one unit for a resident superintendent.
- **HELP USA** - \$4,869,485 to newly construct 119 units of housing in Brooklyn. Forty-two units will be reserved for veterans who qualify for services under NY/NY III and seven units will be reserved for families (containing an adult veteran) who also qualify for services under NY/NY III.
- **Postgraduate Center for Mental Health** - \$2,938,079 to newly construct 43 units of permanent housing in the Bronx for individuals with severe and persistent mental illness, of which 14 units will be for NY/NY III-eligible homeless persons.

It is anticipated that the next HHAP RFP will include the same priority for NY/NY III.

HHAP Funding History

During the 27 years HHAP has been in operation, 624 projects throughout the State have been funded. Of these, 55 have been withdrawn resulting in 569 projects remaining funded, yielding over 13,750 units of housing.

Seventy-nine percent of the beds funded by HHAP provide permanent housing for homeless families and individuals. The remainder provides housing in a transitional setting (generally up to 24 months) or on an emergency basis (30 days or less).

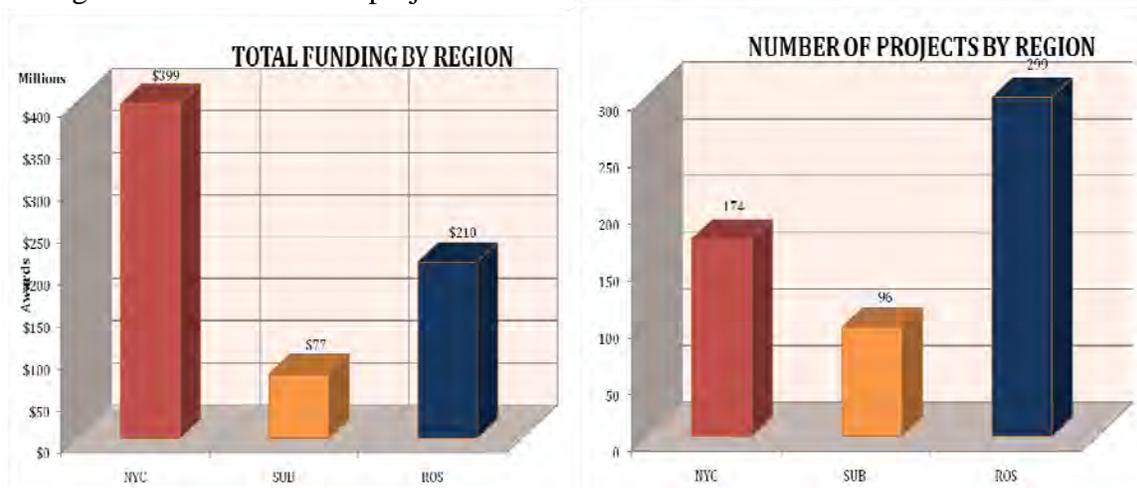


Regional Development

HHAP Projects Awarded by Region 1983 – 2009*

*Funds appropriated through SFY 2009-10

Fifty-eight percent of program funds committed to date are targeted to projects located in New York City. This reflects the size of the homelessness population in the Metropolitan area, the higher cost of housing, and the availability of non-profit sponsors. Eleven percent of funding is committed to projects in suburban areas (Westchester, Nassau and Suffolk counties) and the remaining 31% is committed to projects in the rest of the state.



HHAP Projects Awarded by County

1983 – 2009*

*Funds appropriated through SFY 2009-10

New York City & Suburbs

County	Number of Projects	Amount Awarded
<i>New York City</i>		
<i>NYC Total</i>	<i>174</i>	<i>\$398,788,646</i>
<i>Suburban</i>		
Nassau	10	5,239,853
Suffolk	42	28,731,317
Westchester	44	42,822,021
<i>Suburban Total</i>	<i>96</i>	<i>\$77,083,191</i>

Rest of State

County	Number of Projects	Amount Awarded
Albany	26	\$17,471,929
Allegany	3	1,034,103
Broome	14	16,972,782
Cattaraugus	8	2,767,081
Cayuga	3	414,179
Chautauqua	8	3,442,261
Chemung	1	175,000
Chenango	1	198,500
Clinton	5	3,694,840
Columbia	5	2,257,825
Cortland	1	158,673
Dutchess	9	6,592,192
Dutchess/Ulster	1	950,000
Erie	32	28,161,791
Essex	1	74,000
Franklin	10	4,775,245
Fulton	3	4,622,858
Greene	1	152,000
Herkimer	1	219,265
Jefferson	6	4,178,814
Livingston	3	1,201,173
Madison	1	159,909
Monroe	24	16,936,403
Montgomery	1	550,000
Niagara	7	3,266,500
Oneida	10	5,470,713

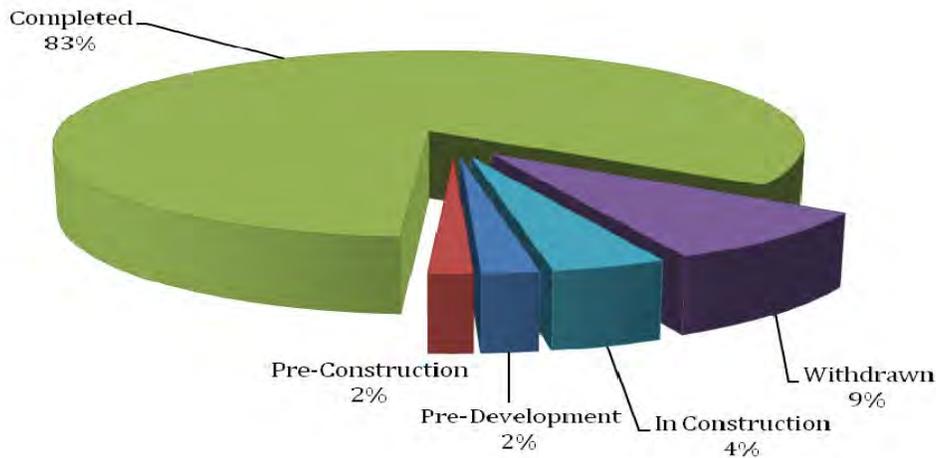
County	Number of Projects	Amount Awarded
Onondaga	14	\$7,725,367
Ontario	3	1,457,779
Orange	9	12,061,825
Orleans	1	524,985
Oswego	3	1,184,545
Otsego	3	1,011,436
Putnam	3	933,713
Rensselaer	13	19,649,539
Rockland	3	2,540,926
Saratoga	7	4,334,255
Schenectady	5	5,124,336
Schoharie	2	345,290
St. Lawrence	11	8,284,616
Steuben	7	3,784,482
Sullivan	2	258,321
Tioga	3	1,016,752
Tompkins	4	2,265,350
Ulster	9	4,747,490
Warren	4	1,249,340
Wayne	3	1,344,670
Wyoming	3	1,282,000
Yates	1	452,331
Washington	1	2,509,858
<i>Rest of State Total</i>	<i>299</i>	<i>\$209,987,242</i>
<i>Grand Total</i>	<i>624*</i>	<i>\$687,491,875</i>

*Including withdrawals

HHAP Project Status

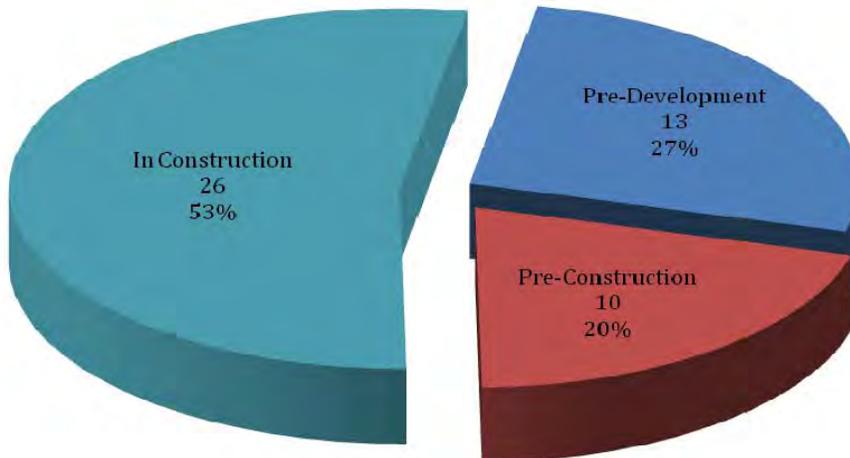
Under the purview of the Office of Temporary and Disability Assistance, HHAP has served as the cornerstone program for the development of affordable supported housing for homeless individuals and families in New York State. Eighty-three percent of all projects awarded HHAP funding have been successfully completed. Eight percent of all HHAP projects are currently in pre-development, preconstruction or in construction, and nine percent have been withdrawn due to unforeseen problems.

HHAP Project Status
(All projects from 1983-2009)



Consistent with its mission, OTDA continues to fund safe, affordable housing with services that will move homeless families and individuals toward self-reliance and economic independence. The following chart denotes the development status of all HHAP projects that were progressing through the development/construction process as of December 2009. There were 49 projects in various stages of development. Of the 26 projects in construction, 8 were over ninety percent complete.

Total HHAP Projects in Development/Construction
December 2009



2009 Accomplishments

HHAP PROJECTS COMPLETED IN 2009

During calendar year 2009, twelve (12) HHAP projects completed construction resulting in the preservation or creation of 667 units of housing and representing an HHAP investment of over \$34.5 million. Following is a summary of those projects.

- **Warren-Washington Association for Mental Health (2006-31/HC00614)** received an award of HHAP funds in November 2006 to develop 18 units of permanent housing for singles in Hudson Falls. Special needs households to be assisted include mentally ill/chemically addicted individuals. The project was completed in February 2009.
- **Housing Visions Unlimited, Inc. – Maple Heights (2006-13/HC00615)** received an award of HHAP funds in November 2006 to develop 50 units/148 beds of housing for individuals and families in Syracuse. This project includes units for low-income families as well 12 units for formerly homeless single veterans. On March 31st all Final Certificates of Occupancies were received and on April 30th a Grand Opening Ceremony was held.
- **Common Ground Community HDFC – The Schermerhorn (2004-017/HC00595)** together with the Actor’s Fund, Inc. received an award of HHAP funds in two separate rounds of funding (SFY 2003 and SFY 2004) for the new construction of a seven-story building on Schermerhorn Avenue in Brooklyn that created 189 units of affordable, permanent, supportive housing for homeless and low-income single adults and a one-bedroom unit for the superintendent of the building. The Schermerhorn provides 217 beds in 180 efficiency units and nine four-bedroom suites. Special needs populations include homeless individuals living with HIV/AIDS and homeless adults diagnosed with severe and persistent mental illness. The project was completed in April 2009.
- **Common Ground Community HDFC IV – The Andrews (1999-051/HC00492)** received an award of HHAP funds under two separate rounds of funding (SFY 1999 and SFY 2003) to transform a traditional “lodging house” in lower Manhattan by undertaking a combination of rehabilitation and new construction activities. The project involved replacing 213 existing wooden cubicles on five floors with 146 new modular lodging units on eight floors to provide permanent and transitional housing for homeless individuals. The Andrews received a Temporary Certificate of Occupancy (TCO) in April 2009.
- **Steuben Churchpeople Against Poverty, Inc. (SCAP) (2006-15/HC00676)** received an award of HHAP funds in November 2006 to develop seven units of permanent housing for families in Bath. The project consists of six single family homes for victims of domestic violence and one unit for a family who has a head of household or other family member with mental illness. SCAP received Certificates of Occupancy for all seven units in April 2009 and on May 15, 2009 the held a Grand Opening Ceremony.
- **Palladia, Inc. (2005-08/HC00599)** received an award of HHAP funds in September 2005 to develop a 48-unit residential building for homeless and low income families and individuals. The new construction incorporated many environmental friendly, energy saving features and

the building is LEED certified. Westchester Gardens contains eight studios, 12 one-bedroom, 25 two-bedroom, and 3 three-bedroom units. Two-thirds (31) of the units will be for formerly homeless households. The remaining third (17) of the units will be rented to low-income households earning less than 50% of Area Median Income. Palladia received a TCO in May 2009.

- **Friends in the City (2005-30/HC00608)** and the Lantern Group received an award of HHAP funds in September 2005 to develop 95 units/226 beds of housing for homeless families in the Bronx. Special needs households to be assisted include those living with HIV/AIDS, mental illness and/or substance abuse issues. This project, known as The Cedars, is a "Green Building" which required the construction materials be certified as green products. This, along with the use of geothermal wells for controlling the environment, has given this building a Gold LEED rating. Friends in the City received a TCO for the project in May 2009.
- **Youth Action Program and Homes, Inc., (1998-13/HC00425)** received an award of HHAP funds in October 1998 to develop 10 units of permanent housing for families and individuals in East Harlem. Two of these units have been designated to house individuals or families in which one or more members have HIV/AIDS. Youth Action Program and Homes received a TCO in May 2009.
- **JCTOD Outreach, Inc. (2007-26/HC00671)** received an award of HHAP funds in November 2007 to develop eight units of permanent housing for single women in Utica. Special needs households to be assisted include chronically homeless women with a mental health diagnosis as their primary disability. In August 2009 JCTOD held a ribbon cutting ceremony.
- **Interfaith Partnership for the Homeless, Inc. (2007-016/HC00668)** received an award of HHAP funds in November 2007 to develop 10 units of permanent housing for families and singles in Albany. Special needs households to be assisted include individuals who have various physical and mental disabilities. A grand opening ceremony was held on November 6, 2009.
- **Lake Shore Behavioral Health Inc. (2006-027/HC00670)** received an award of HHAP funds in November 2006 to undertake a combination of substantial rehabilitation and new construction to create 16 new units of permanent housing for individuals with mental illness who were formally living on the streets, in shelters, or in hotels/motels. Lake Shore held a Ribbon Cutting Ceremony on December 10, 2009.
- **Postgraduate Center for Mental Health – Bronx Park East (2006-004/HC00659)** received an award of HHAP funds in November 2006 to develop 69 units of permanent housing of which 45 will be for homeless individuals with serious and persistent mental illness. Twenty-three units will provide housing for low income households and one two-bedroom unit will be for the superintendent. The project received a TCO in December 2009.

Projects Completed in 2009

"SECURE HOUSING IS FUNDAMENTAL TO REPAIRING AND STABILIZING LIVES."



Palladia – Fox Point

48 units of permanent housing for homeless families and singles in the Bronx

(Projects continued...)



Warren-Washington AMH
18 single units of permanent supportive housing for individuals in Washington County

Housing Visions-Maple Heights
50 units of permanent housing for homeless and low income families in Onondaga County



(Projects continued...)



JCTOD- Johnson Park
8 units of permanent supportive housing for single women in Oneida County

Interfaith Partnership for the Homeless
10 units of permanent housing for homeless individuals and families in Albany County



(Projects continued...)

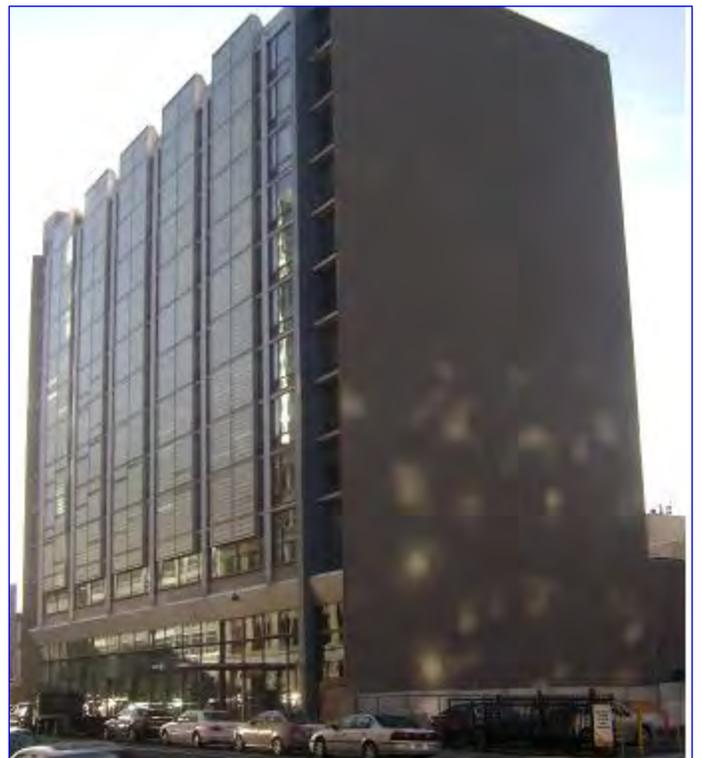


The Andrews

*146 units of permanent and transitional housing
for individuals in Manhattan*

Schermerhorn House

*217 beds in 180 efficiency units and 9 suites with 4 bedrooms
each for homeless and low-income individuals in Brooklyn*



2009 HHAP Request for Proposals

The SFY 2009-10 State Budget included a \$30 million appropriation for HHAP, which was distributed via an Open Request for Proposals (RFP) process. The RFP was released June 26, 2009 and OTDA began accepting applications on August 17, 2009. As of December 31, 2009, 23 proposals had been received requesting a total of \$71,377,286 in HHAP funding. Following is the geographic breakdown of proposals.

HHAP Applications Received <i>as of 12/31/09</i>								
	# of Proposals	<u>HHAP</u>		<u>Total</u>		HHAP Request	Total Project Cost	%
		Units	Beds	Units	Beds			
Upstate	12	198	281	237	320	\$29,062,841	\$47,598,355	41%
New York City	9	471	615	871	1629	\$38,415,272	\$297,956,044	54%
Suburban	2	19	60	19	60	\$3,849,173	\$4,472,455	5%
Total	23	688	956	1127	2009	\$71,327,286	\$350,026,854	100%

During the November 2009 HHAC Board Meeting, members approved awards to six organizations. Following is a summary of awards as of December 31, 2009.

2009 HHAP Awards Approved *as of 12/31/09*

<u>Region</u>	<u>Projects</u>	<u>HHAP</u>		<u>Total</u>		<u>HHAP Award</u>	<u>Total Project Cost</u>
		<u>Units</u>	<u>Beds</u>	<u>Units</u>	<u>Beds</u>		
Upstate	2	61	63	100	102	\$6,033,194	\$19,177,508
NYC	4	223	230	414	565	\$18,960,732	\$119,835,963
Suburbs	0	0	0	0	0	0	0
Total	6	284	293	514	667	\$24,993,926	\$139,013,471

The RFP stipulated that no single geographic region shall receive more than 60% of the funds available in any given fiscal year unless HHAC determines that it is in the best interest of the State to do so. For the purposes of this provision, geographic regions are delineated by HHAC as follows:

- New York – Bronx, Kings, New York, Queens and Richmond Counties
- Suburbs – Westchester, Nassau and Suffolk Counties
- Rest of State – All other counties not listed above

Based on the award reservations provided to New York City organizations, OTDA and HHAC suspended accepting applications for projects proposed in New York City on November 12, 2009.

All New York City proposals under review as of November 12, 2009 have continued through the evaluation process. These proposals will be held “active” for a period of 180-days from the date they were received. At the conclusion of the review process, applicants that do not meet the threshold for funding will be notified that their proposal was not selected. Applicants that do meet the threshold for funding will be notified that their project has been waitlisted. When funding becomes available either through a new appropriation, the recapture of funds, or otherwise, projects on the waitlist will be considered for funding in order of the date received. New York City proposals received after November 12, 2009 will not be accepted and will be returned to the applicant. A notice will be posted on OTDA’s website when OTDA and HHAC resume accepting applications for funding.

OTDA and HHAC will continue to evaluate proposals for projects outside of New York City and recommend award reservations to the HHAC Board until available funding is allocated.

Below is a brief summary of the six awards made during 2009:

Sponsor: Joseph’s House and Shelter Inc.

County: Rensselaer

HHAP ID#: 2009-001

HHAP Award Reservation: \$3,033,194

Total Project Cost: \$3,566,590

Summary of Project: Joseph’s House and Shelter requested \$3,033,194 to newly construct a 20-unit/22-bed permanent housing program for single individuals at 202 Fourth Street in Troy. The target population includes chronically homeless individuals who may also be living with mental health, substance abuse and/or other disabling conditions. Other funding necessary to develop the project includes HUD SHP and various grants and gifts. Operating income will be generated from a combination of tenant contributions, the shelter allowance, Shelter Plus Care, and contracts from OMH, OTDA and HUD.

Sponsor: Concern for Independent Living

County: Kings

HHAP ID#: 2009-003

HHAP Award Reservation: \$5,572,614

Total Project Cost: \$30,334,470

Summary of Project: Concern for Independent Living requested \$5,572,614 for the new construction of a six-story building at 801-25 East New York Avenue in Brooklyn. The project will contain a total of 91 units of permanent housing distributed as follows: 18 units for chronically homeless single adults who suffer from a serious and persistent mental illness or who are diagnosed as mentally ill and chemically addicted (NY/NY III Category A); 42 units for single adults living in state-operated psychiatric centers or transitional residences (NY/NY III Category B); 30 units for low-income individuals and families with incomes between 50% and 60% of AMI; and one unit for a resident superintendent.

Other development funding for the project includes LIHTC from DHCR with Richman as the syndicator, a construction loan from the Community Preservation Corporation to be paid by OMH, and NYSERDA. Operating revenue will include an OMH subsidy for the NY/NY III units and rents from the low-income units.

Sponsor: Common Ground Community HDFC

County: Kings

HHAP ID#: 2009-004

HHAP Award Reservation: \$5,580,554

Total Project Cost: \$43,051,869

Summary of Project: Common Ground Community (CGC) requested \$5,580,554 to newly construct a five-story building at a confidential site in Brooklyn. The project will contain a total of 161 units as follows: 100 permanent units for homeless individuals; 60 low-income units for individuals at 30%, 60% and 80% of AMI; and one unit for a resident superintendent. Of the homeless units, 64 will be reserved for chronically homeless single adults who suffer from a serious and persistent mental illness or who are diagnosed as mentally ill and chemically addicted (NY/NY III Category A), and 36 will be reserved for chronically homeless single adults who are living with HIV/AIDS and who suffer from a co-occurring serious and persistent mental illness, a substance abuse disorder or a MICA disorder (NY/NY III Category H). CGC will partner with the Center for Urban Community Services (CUCS) to provide support services on-site and through referrals to community organizations.

The development of this project relies on multiple funding sources including HFA bonds, HPD, FHLB, Reso A, and tax credits to be syndicated by Richman. Operating income is expected from tenant income, NY/NY III operating subsidies and Section 8. This project will create NY/NY III units as well as afford HHAC an opportunity to utilize the \$5 million setaside for housing for persons living with HIV/AIDS.

Sponsor: Postgraduate Center for Mental Health

County: Bronx

HHAP ID#: 2009-006

HHAP Award Reservation: 2,938,079

Total Project Cost: \$10,895,137

Summary of Project: Postgraduate Center for Mental Health (PCMH) requested \$3,494,619 to newly construct 43 supportive permanent housing units for adults living with severe and persistent mental illness. Twenty-nine units will be reserved for High Service Need residents and the remaining 14 units will be reserved for individuals eligible to receive services under NY/NY III (Category A). Other development funding and operating funding is being provided by NYS OMH and is fully committed. The project, located on the corner of Teller Avenue and 170th Street in the Bronx, is under construction with an anticipated completion date of June 2010.

PCMH and OMH began construction with the understanding that PCMH would secure the additional funding needed to bridge the budget gap. Funding was recommended at a reduced amount to reflect HHAC's guidelines for the developer's fee and reserves.

Sponsor: HELP Development Corporation

County: Kings

HHAP ID#: 2009-007

HHAP Award Reservation: \$4,869,465

Total Project Cost: 35,554,467

Summary of Project: HELP Development Corporation requested \$4,869,465 for the new construction of Genesis Neighborhood Plaza II, a 119 unit/196 bed permanent housing program located at 332-390 Snediker Avenue in the East New York neighborhood of Brooklyn. Genesis Neighborhood Plaza II will contain 49 units of supported housing for homeless individuals and families. Forty-two units will be reserved for veterans who also qualify for services under NY/NY III Category A. The remaining seven units will be reserved for families (containing an adult veteran) who also qualify for services under NY/NY III Category D (chronically homeless families, or families at serious risk of becoming chronically homeless, in which the head of household suffers from a SMPI or MICA disorder). Seventy units will house low-income families.

The financing package includes HFA and HPD, both of which have committed funding for the project. Operational funding is based on a combination of tenant rents, NY/NY III subsidies and VASH (Veterans Affairs Supported Housing) vouchers.

Sponsor: Eastman Commons

County: Monroe

HHAP ID#: 2009-008

HHAP Award Reservation: \$3,000,000

Total Project Cost: \$15,620,918

Summary of Project: Eastman Commons requested \$3 million to newly construct 80 units of permanent supportive housing for single individuals in Rochester. Forty-one units will be reserved for formerly homeless adults and 39 units will be for low-income working adults. The target population includes individuals with histories of mental illness and/or substance abuse. Support services will be provided on-site by the Salvation Army and Landsman Real Estate will provide property management services. The development team also includes Common Ground Community, which will serve as co-managing member of the General Partner in the Limited Partnership and Norstar Development as developer.

Other development funding includes DHCRs HTF, Low Income Housing Tax Credits and Urban Initiatives Programs, as well as funds from the FHLB, HUD and HOME. Operating income will be based on Shelter Plus Care subsidies and tenant contributions.

Status of Infrastructure Development Demonstration Program

The Infrastructure Development Demonstration Program (IDDP) is administered by the New York State Housing Finance Agency (HFA). IDDP was established to reduce the development costs of affordable housing by providing grants to eligible applicants to be used in conjunction with existing state, local and federal housing programs. IDDP grants are limited to a maximum of five thousand dollars (\$5,000) per unit of affordable housing. Program funds can be used for hard and soft costs associated with infrastructure improvements.

Article XXI of the Private Housing Finance Law provides that HFA shall enter into agreements with other State agencies and public benefit corporations to carry out the provisions of that Article and in particular, to provide grant funds to complimentary programs administered by such agencies or public benefit corporations. HFA set aside \$500,000 in IDDP funding to support HHAP projects. At least 75% of the total amount appropriated for this program is being made available for projects located in cities, towns or villages having a population of 30,000 or less.

Below is a Status of IDDP awards:

Sponsor	# of Units	IDDP Award	IDDP Status
Steuben Churchpeople	7	\$35,000	Work Complete
Warren Washington AMH	18	\$45,000	Work Complete
Bethesda	16	\$80,000	Contract Executed
JCTOD Outreach	8	\$40,000	Work Complete
Interfaith Partnership	10	\$5,000	Work Complete
SHORE	2	\$10,000	Contract Executed
Mercy Haven	2	\$10,000	Contract Executed
Neighbors of Watertown	13	\$65,000	Proposal Pending
Fulton YMCA	24	\$120,000	Proposal Pending
Warren Washington HYC	6	\$17,380	Contract Executed
	106	\$427,380	

Asset Management

SUMMARY OF 2009 ACTIVITIES AND ACCOMPLISHMENTS

The Asset Management Unit (AMU) has continued active oversight and support of the portfolio of operating projects through monitoring; reporting; assisting distressed projects; and providing technical assistance. In addition, AMU is responsible for the recording of mortgages for projects in development; review and approval of requests to draw upon HHAC funded reserves; and the procurement of Technical Assistance (TA) providers and auditing services for HHAC's annual audit.

Operating Portfolio

The HHAP portfolio of operating homeless housing projects currently consists of 341 projects and 541 sites. These projects provide a total of 6,873 units and over 13,153 beds. The value of the portfolio in terms of the HHAP investment is \$454,786,909. While several new projects became operational in 2009, the operational phase ended in 2009 for four projects, which were removed from the portfolio figures.

Oversight

AMU received 225 Annual Operating Reports for review in 2009. Reports include project operating data, budgets, audited financial statements, a description of support services and tenant accomplishments, documentation of insurance and payment of taxes, etc. In addition to the Annual Reports, 95 monitoring visits were conducted during 2009. Also, AMU and the Capital Development Unit (CDU) conducted joint visits to newly operational projects to ensure a smooth transition from development staff to services and property management staff. The annual reporting process affords the opportunity to correct minor operational and contract compliance issues identified as well as provide informal technical assistance to improve the operation and viability of the projects. The results of the monitoring and reporting efforts confirm that the vast majority of HHAP projects are performing admirably - providing vital supportive housing for a wide variety of homeless populations, and maintaining the sites as ongoing resources for the homeless.

Technical Assistance

AMU manages the procurement and provision of professional technical assistance (TA) resources to HHAP projects in development and operation. Legal, audit review and architectural services were conducted on behalf of HHAP for numerous projects in the development phase. In addition, AMU provided TA to the operational projects below during 2009. Services most often provided are training in property management, operations, architectural assessments of repair needs, etc. TA services are provided on an as-needed basis in order to promote the ongoing viability of HHAP projects and/or grantee agencies. Some of these TA assignments are still ongoing or periodic in nature:

- Addictions Care Center of Albany (ACCA) – *Structural assessment*

- Centro Civico – *Organizational capacity*
- COMLINKS – *Financial audit review; organizational capacity; support services development*
- Family Residence & Essential Enterprises (FREE) - *Capital needs assessment and construction management services*
- HOPE of Buffalo - *Architectural design, bid and construction oversight services*
- New Destiny Housing Corporation – *Architectural design and bid services*
- Southern Tier Environments for Living (STEL)- *Capital needs assessment*
- Support Ministries - *Organizational capacity*
- Western New York Veterans – *Capital needs assessment*

AMU also has averted closure of occupied projects by arranging for property management where the sponsor organization has failed financially and/or has been declared in default. The following projects are under interim property management, while AMU facilitates the transfer of the projects to alternate sponsors. This process protects the tenants, preserves the State’s investment and ensures the ongoing use of the sites as homeless housing.

- **Association for Neighborhood Rehabilitation** - ANR operated four HHAP projects, including 43 SRO units and 32 duplex units for homeless families in St. Lawrence County. Due to financial insolvency, AMU assigned an interim property management and identified a replacement sponsor for the projects. AMU provided technical assistance to avert immediate closure of the agency, and continues to work toward resolution of a property tax issue.
- **Community Unified Today, Inc.** - CUT operated an eight-unit project for homeless families in Geneva. AMU provided TA and funding for repairs. However, the agency subsequently failed to pay property taxes and correct code violations. AMU assigned an interim property manager. The NYS Office of the Attorney General (AG) has begun the foreclosure process on behalf of HHAC in order to transfer the site to an alternate sponsor organization, **Providence Housing Development Corporation**.
- **Love’m, Inc.** – AMU arranged for property management for this five-scattered site project for homeless families in Suffolk County, following the discovery of significant contract violations including property tax arrearages, and the condemnation of two of the sites by the local building department. AMU has begun working to facilitate transfer of the projects to an alternate sponsor, **Concern for Independent Living, Inc.**
- **Neighborhood Youth and Family Services, Inc.** - AMU assigned property management following the financial collapse of the sponsor and is taking steps to install alternate sponsors for its three buildings located in Bronx. An agreement will be approved and signed imminently restructuring the Limited Partnership as a method of transferring one of the buildings. The NYS Office of the Attorney General (AG) has begun the foreclosure process on behalf of HHAC in order to transfer the remaining two buildings to an alternate sponsor organization. The management agent and replacement sponsor organizations are affiliates of **Housing Works, Inc.**
- **Utica Community Action, Inc.** – Following the financial collapse of the sponsor, a replacement sponsor was identified and began operating a youth shelter at the site. The shelter subsequently lost the funding necessary to continue the program. AMU has identified a second replacement sponsor, **Vesta Community Development Housing Board**, and is moving forward with

converting the project to transitional housing for single homeless veterans. AMU partnered with the local Weatherization Assistance Program (WAP) provider to improve the energy efficiency of the building, while AMU facilitates the transfer of the site to the second replacement sponsor organization. Construction will begin in early 2010.

Project Assistance – Completed

AMU was engaged in or resolved the following asset management issues, which required involvement by AMU in order to support the ongoing viability of the projects. These issues include issues such as correcting significant and unforeseen repair needs that threatened the project; facilitating replacement of the sponsor organization; and assistance in relocating sites.

Christopher Community - The sponsor operates two adult residences (known as Lincoln Elms I and II) for mentally disabled formerly homeless singles in Syracuse, totaling 54 units. The NYS Department of Health (DOH) approved a closure plan for the facilities. AMU worked closely with the NYS Office of Mental Health (OMH) to facilitate transfer of operations of one site to **Central New York Services, Inc.** as an alternate sponsor. This site is now operating as an OMH-licensed facility, and has been moderately rehabilitated using HHAP funds, with residents remaining in place. The sponsor relocated the residents of the second site. AMU is working with the NYS Office of Alcoholism and Substance Abuse Services (OASAS) and **Syracuse Behavioral Healthcare, Inc.** to convert the second site to a licensed community residence for single homeless persons with substance abuse issues, many of whom would be referred through drug court.

Interfaith Nutrition Network (INN) – AMU facilitated the sale and replacement of one site of a scattered site project for families in Suffolk County, which was vacant severely vandalized while vacant. The sale proceeds and additional funding were used to purchase a replacement site.

Safe Space of NYC – AMU facilitated the sale and relocation of the 12-bed residence for HIV-positive youth in Manhattan and purchase of a replacement site in Queens. The excess proceeds realized from the sale were placed in restricted account and will serve to stabilize the finances of the agency and the ongoing viability of the project.

Walk the Walk, Inc. – AMU replaced the sponsor organization during the construction phase in order to complete this project located in Queens, which was under development. Following a protracted period of legal and construction issues, **New York Asian Women’s Center, Inc.** completed and began operation of this 20-bed domestic violence shelter in October 2009.

Project Assistance – In Process

Cattaraugus Community Action Inc (CCAI) – The sponsor has requested additional HHAP funding to address structural issues for this nine-bed domestic violence shelter. AMU provided TA in the form of architectural and engineering services to determine whether repairs would be cost-effective and subsequently, to produce construction bid documents, which are under development.

Homeworks of Long Island – The sponsor has requested an amendment to address various repairs including failing septic systems and energy efficiency measures for this three-site project serving

single homeless men and women recovering from substance abuse, many of whom are also mentally ill. Approval of additional HHAP funds is pending with construction anticipated to begin in early 2010.

Hope of Buffalo, Inc. – The Sponsor received additional HHAP funding to expand this nine-unit project for homeless men who are ex-offenders to 19 units. This expansion will greatly enhance the fiscal viability of the project and address roof and other needed repairs. Construction is slated for completion in February 2010. AMU has also provided TA in the form of architectural services, audit review and organizational capacity to improve the operation of the project and the agency.

Opportunities for Otsego - The sponsor has requested a contract amendment to repair and upgrade this nine-bed domestic violence shelter. The modest initial HHAP investment in 1993 did not address several key building components including the roof, heating system, and kitchen. The poor conditions are now threatening the ongoing viability of the project. HHAP funding to address the repair needs has been approved and construction commenced in December 2009.

St. Timothy's Evangelical Lutheran Church - This project consists of 19-beds of emergency and transitional housing for homeless women and children, located in Rensselaer. Operations of the project have been transferred to St. Paul's Center, and AMU has been facilitating the transfer of the title, contract, note and mortgage to St. Paul's.

Women's Housing and Economic Development Corp (WHEDCO) - The sponsor operates a 132-unit project (48 HHAP units) for homeless and low-income families located in the Bronx. The project is undertaking façade repairs that are far more extensive than anticipated. The project is operating at a significant deficit. AMU is working with other funders that have invested in the project (Housing Trust Fund, Low Income Housing Tax Credit Program, NYC's Article 8-A Loan Program, etc.) toward a collaborative approach to addressing the capital needs and operating viability of the project.

YWCA of Niagara, Inc. - YWCA of Niagara operates five units/18 beds of homeless housing for victims of domestic violence and has requested additional HHAP funding for roof repairs, associated interior water damage, a new boiler and other repairs. AMU is pursuing approval of the request to provide additional HHAP funds to support the ongoing viability of the project.

Consolidated Report Data:

AMU aggregated HHAP project data gleaned from the annual operating reports, monitoring visits, and financial statements. The data demonstrate that, on the whole, HHAP projects are operating well, are fiscally sound, and are successfully providing stable supportive housing to various homeless and special needs populations across the State. The data reported below is comprised of the 231 unduplicated annual reports submitted within the 18-month period ending June 2009.

The data demonstrate that the projects exhibit high compliance with documentation of homelessness; implementation of management and operating plans (MOPs); and low incidences of fair or poor property conditions. Improvements in these areas are in part attributable to the oversight activities of AMU and the impact of well-developed newly operational projects.

HHAP projects continue to exhibit very low vacancy rates for units (3.4% average vacancy rate for units), while the average vacancy rate for beds increased from 21% to 32% since the analysis conducted in 2008. This is likely attributable to the vacancy rates of domestic violence shelters, which are typically higher by design to ensure the availability of beds for women and children fleeing violence.

The data revealed that average project revenues fall short of operating expenses for a significant number of HHAP projects reporting. Average expenses per unit were \$20,193, while average revenues were \$18,994, a differential of approximately six percent. A similar differential exists between the average expenses and revenues per bed. Contributing factors include rising utility expenses, real estate taxes, sewer and water charges. Securing adequate funding for support services is often another challenge for projects. Despite these challenges, however, the HHAP operating portfolio of projects continues to be a sound investment, providing ongoing community resources for the homeless of New York State.

The majority of HHAP sponsors demonstrate financial stability across various indicators (for example, 61% exhibit a working capital ratio above standards). HHAP projects are functioning as intended in terms of the serving the homeless by moving families and individuals out of the shelter system. This is evidenced by the fact that the primary referral source of a majority of projects is either emergency housing/shelter (including NYC's Department of Homeless Services) or local Departments of Social Services (DSS, including NYC's Human Resources Administration).

Conclusion

The need to continue to address homelessness is clear: As of the writing of this report, over 37,000 people were in the New York City shelter system, which represents an increase of nearly 2,500 people from last year at the same time. The average length of stay in the NYC shelter system is nearing 300 days and local districts across New York are reporting a sharp rise in homelessness. Indeed, some communities are witnessing the need to establish a homeless shelter for the first time. Available data strongly suggest that there is a growing need for capital investments in programs such as HHAP that provide a range of supportive housing options for homeless families and individuals and that investments in permanent housing for the homeless reduce costs associated with other more expensive institutional settings frequented by this population.

The cost effectiveness of supportive housing has been well documented by leading experts. A study of the impact of supportive housing and the NY/NY agreement compared the total cost of service provision for homeless, severely mentally ill people both pre and post placement in supportive housing (Culhane, 2002). Prior to placement in supportive housing, homeless individuals with severe mental illness used approximately \$40,451 in services per year. Post placement in supportive housing, service provision costs were reduced by \$16,282. The services cost reduction was attributable to a decline in shelter use, a decline in hospitalization and length of stay, a decrease in incarceration and length of stay, and a decline in inpatient treatment. Additionally, individuals residing in supportive housing were more likely to access outpatient services, a less costly alternative to inpatient treatment.

In 2004, the Lewin Group further provided evidence that supportive housing is cost effective by comparing the costs of housing options in New York City. Specifically, they reported the cost per day per individual housed in supportive housing was \$41.85. This was less costly than the daily rate for jail at \$164.57, prison at \$74.00 per day, shelter at \$54.42 per day, inpatient mental health treatment at \$467.00 per day, and hospitalization at \$1,185.00 per day (The Lewin Group, 2004).

More recently, a Homeless Cost Avoidance Study by the Economic Roundtable, which was underwritten by the Los Angeles Homeless Services Authority, discloses that there is an average reduction of 79% in public costs for chronically homeless individuals when they reside in supportive housing. The report further substantiates that there is a 50% reduction in public costs across the board for the general homeless population and a 19% reduction for individuals with serious problems when placed in supportive housing. The savings are directly related to the decrease in the use of correctional facilities and an increase in mental health treatment and medical care, creating less reliance on more costly emergency type services (Economic Roundtable, 2009).

HHAP is the only state resource specifically designed to address the supported housing needs of homeless families and individuals. The HHAP operating portfolio provides localities across the state with a cost effective tool to address the increasing homeless crisis being experienced in a majority of communities.

**NEW YORK STATE
OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**

**CENTER FOR SPECIALIZED SERVICES
BUREAU OF HOUSING AND SUPPORT SERVICES**

40 North Pearl Street
Albany, New York 12243
(518) 473-2588



David A. Paterson, Governor