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### **AFFORDABLE HOMES FOR HOMELESS FAMILIES: CITY ADVANCES PLAN TO CONVERT CLUSTER UNITS TO PERMANENT HOUSING**

*Nearly 500 cluster units targeted for conversion will become permanent affordable housing in early 2019*

**NEW YORK**—Mayor Bill de Blasio today announced that the City has made progress towards an agreement for the acquisition and conversion of nearly 500 cluster units across 17 buildings into permanent affordable housing for over 1,000 New Yorkers in need, as part of this administration’s broader initiative to address the homelessness crisis in New York City.

Over the past 18 years, New York City has used the cluster site program to provide shelter for homeless families, an ineffective stop-gap practice that the de Blasio Administration committed to ending once and for all as part of its comprehensive [Turning the Tide on Homelessness in New York City](#) plan.

“Homeless families have for decades been haphazardly sheltered in temporary accommodations that are too often poorly maintained and disconnected from services,” said **Mayor de Blasio**. “We’re converting these buildings into higher quality, permanent affordable housing for formerly homeless New Yorkers turning their lives around.”

“Today’s unprecedented announcement means nearly five hundred families will soon wake up in homes of their own,” said **Deputy Mayor for Health and Human Services Dr. Herminia Palacio**. “Addressing housing instability strengthens the fabric of families and communities citywide—and this initiative represents our Administration’s unwavering dedication to ensuring that our families and children thrive.”

Last year, the City announced that it would negotiate and finance the acquisition of cluster buildings by trusted locally-based not-for-profit developers, who will work with the City’s Department of Housing Preservation and Development to rehabilitate the buildings and preserve them as affordable housing. The new owners will enter into regulatory agreements with HPD to ensure the long-term affordability of the apartments as housing for homeless families and other low-income New Yorkers.

The first phase of this initiative involves 17 cluster buildings with 468 units designated for conversion to permanent housing. Homeless families would receive services and support from non-profit providers that will help them get back on their feet and transition to living independently. Joint Ownership Entity (JOE) NYC and Neighborhood Restore will be acquiring these buildings and, in conjunction with local non-profit organizations including Banana Kelly, Fifth Avenue Committee, Fordham Bedford, HELP USA, MHANY, Samaritan Village, and Settlement Housing Fund, will stabilize and manage the buildings, coordinate light-touch social services, and prepare for rehabilitation of the buildings in the near future.

Prior to acquisition closing, the cluster apartments will continue to be operated as shelter for New Yorkers experiencing homelessness with funding and services provided by the City's Department of Homeless Services. Homeless families residing at these locations, who are eligible for rental assistance and prepared for housing permanency at the point of transition to not-for-profit ownership, will be offered the opportunity to remain as tenants with a new rent-stabilized lease if they wish to remain in the building. All non-homeless tenants living in a cluster building at the time of purchase will be entitled to remain in their apartments with rent-stabilized leases and additional protections under HPD's regulatory agreement.

"Transforming a haphazard shelter system decades in the making demands bold action ensuring we do right by our families in need. Today's announcement furthers our commitment to closing the 18-year-old cluster program once and for all while creating permanent affordable housing for hundreds of homeless families for the long-term," said **Department of Social Services Commissioner Steven Banks**. "Working in partnership with HPD, not-for-profit developers, and service provider partners, we're using every tool at our disposal to deliver the services, supports, and opportunities for success that hardworking New Yorkers deserve as they get back on their feet—and stay tuned for more to come."

"Addressing the citywide challenge of homelessness requires collaborative citywide solutions. Today, with our development partners, social services partners, and City Agency partners, we're proud to announce that our collaborative efforts are making a real difference for families in need by creating hundreds of permanent affordable apartments that will help them get back on their feet," said **Department of Homeless Services Administrator Joslyn Carter**. "This announcement is a major milestone for families experiencing homelessness, who will now have the opportunity to stabilize their lives in renovated, rehabilitated homes managed by reputable not-for-profit providers—while we continue to wind down the less-effective stop-gap cluster program citywide. There's more work to be done, but our strategies are heading in the right direction, helping us raise the bar and turn the tide."

"Creating more permanent, affordable housing for homeless New Yorkers is a key goal of the Mayor's housing plan, and a critical pillar of the City's comprehensive strategy to addressing the homeless crisis," said **Department of Housing Preservation and Development Commissioner Maria Torres-Springer**. "We are proud to partner with DSS to advance an ambitious strategy to end the cluster program, starting with plans to finance the acquisition of a 17 building portfolio with almost 730 apartments, including 468 homes for homeless New Yorkers. I want to thank the team at DSS and all our non-profit partners for working with us to ensure homeless

families and low-income New Yorkers have the stability and opportunity that an affordable home provides.”

In January 2016, at the high point of the cluster program, the City was managing 3,650 cluster units to shelter homeless families. Since then, the City’s Department of Homeless Services has reduced citywide cluster use by more than 50 percent using multiple strategies. After this conversion is complete, there will be approximately 1,400 cluster units remaining, which the City will phase out entirely by 2021.

"I commend the joint effort of the Mayor, DHS, and HPD to convert cluster sites into affordable housing. This plan will lift nearly 1,000 New Yorkers out of homelessness by offering a long term, permanent solution," said **Assemblyman Andrew Hevesi, Chair of Assembly Social Services Committee.**

**Assemblyman Marcos A. Crespo said,** “There are no easy or simple solutions to addressing the needs of homeless families in New York City, but I am extremely grateful to the Mayor and the agencies involved for taking a major step forward in reducing temporary housing, particularly cluster units, and giving families permanency and stability via this creative approach. It is my hope that we continue to use resources towards permanent housing options.”

“I would like to commend the Mayor for his firm commitment in creating permanent, affordable housing for homeless families and low income New Yorkers. Our residents deserve quality, affordable housing options that can make a real difference in the lives of so many residents in need. Thanks to the partnership between DHS and HPD along with our local non-profit developers we are closer to our goal of helping families off the street and into homes. By strengthening the fabric of families and communities, we can revitalize the American dream for all New Yorkers.” said **Assemblyman Walter T. Mosley**

**Assemblyman Jeffrey Dinowitz said:** “The end of cluster site housing is a welcome relief for residents of the Bronx who have seen more than our fair share of cluster sites placed in our neighborhoods. These cluster site housing units are often host to some of the worst conditions we could imagine, with unscrupulous landlords taking advantage of homeless families in need who are frequently unable to stand up for their right to a decent place to live. I thank Mayor de Blasio for taking this important step towards ending cluster site housing and look forward to his continued leadership to ensure that people are able to find shelter space in their own communities.

“The key to meaningfully reducing NYC's homeless epidemic is investing in permanent housing. Today's announcement is welcome news for hundreds of families in New York City who have struggled to get back on their feet and find affordable stable housing,” said **Council Member Stephen Levin.** “I applaud the administration for working with community organizations and housing providers like Joint Ownership Entity (JOE) NYC and Neighborhood Restore to provide comprehensive social services and directly connect residents to care.”

“Converting cluster units into permanent affordable housing will help to create the long term stability that many homeless and low income families are yearning for. In the Bronx we have a disproportionate amount of cluster sites that have had inconsistent results over the past 18 years.

I applaud Mayor de Blasio and the NYC Department of Homeless Services for their commitment to ending the NYC cluster site program through a series of innovative and collaborative approaches -including this initiative to convert nearly 500 cluster units into affordable housing for 1,000 New Yorkers,” said **Council Member Andrew Cohen**.

**Council Member Vanessa Gibson** said, “I commend The Administration for their commitment to the Turning the Tide plan, and reducing the City’s cluster site use by 70% once completed. This plan will convert nearly 500 cluster units into permanent affordable housing. This will provide over 1,000 families with permanent or affordable homes. The results of this plan have been long and overdue in our efforts to reduce shelter costs and stabilize families. My district has faced many challenges with phasing out cluster sites, and I am happy to hear that 25 of these units come from District 16. This is a very necessary testament to our residents that they are part of our communities permanently and not just temporarily. I look forward to working with the Administration to reach 100% reduction in cluster use in New York City.”

“The transformation of cluster units to affordable housing, provides families with a permanent place to call home. For too long families have lingered in the shelter system and some have been placed in dilapidated apartments scattered throughout the city,” said **Council Member Alicka Ampry-Samuel**. “The steps taken by the Administration to renovate these apartments, increases the amount of necessary affordable housing units while addressing our homeless crisis. I am glad to see the Administration working to support families and their efforts as they transition into independence.”

The citywide challenge of homelessness was not created overnight. Homelessness in New York City increased 115 percent between 1994 and 2014—and in just three years between 2011 and 2014, it grew almost 40 percent, from 38,000 to more than 51,000 after the City and State cancelled the Advantage rental assistance program. Immediately upon taking office, the de Blasio Administration stepped in to fill the gap left by the City and State’s cancellation of the Advantage rental assistance program by creating and implementing new rental assistance programs as well as reinstating rehousing programs.

While the devastating impacts of economic inequality, including rising rents outpacing wages, and past choices made in New York City, Albany and Washington led to the homeless crisis we face today, the initiatives of the Department of Social Services (HRA and DHS) are beginning to reverse the trend, with the City’s rebuilt rental assistance and rehousing programs helping more than 100,000 children and adults across over 38,000 households exit or avoid shelter since 2014; with funding for tenant legal services up fifteen-fold and evictions down 27 percent since 2014; and with the DHS shelter census for 2017 remained roughly flat year over year for the first time in more than a decade.

In February 2017, the Mayor announced Turning the Tide on Homelessness in New York City, his borough-by-borough plan for addressing the challenge of homelessness, which affects every community across the five boroughs. To address and transform a shelter system that expanded in a haphazard way over the past four decades, the Mayor’s plan will completely end the use of all cluster sites and hotel facilities citywide, while opening a smaller number of 90 new and more effective traditional shelters. This will reduce the number of Department of Homeless Services’ facilities by 45 percent across New York City and allow us to maintain a vacancy rate to ensure

the flexibility we need to implement a more equitable, borough-based system that takes into account the individual needs of the children and adults we must shelter. These strategies are starting to take hold and headed in the right direction: the shelter census for 2017 remained roughly flat year over year for the first time in more than a decade, and the City has already reduced its shelter footprint by nearly 30 percent, from the 647 buildings reported in the Turning the Tide plan to 464 buildings. The plan's guiding principle is community and people first: giving homeless New Yorkers, who come from every community across the five boroughs, the opportunity to be sheltered closer to their home boroughs, support networks and anchors of life, including schools, jobs, healthcare, family, houses of worship, and communities they called home, in order to more quickly stabilize their lives.

In November 2017, the Mayor also released an accelerated and expanded housing plan, Housing New York 2.0, which will finance 200,000 affordable homes by 2022 and 300,000 by 2026, enough to house the entire population of Boston.

“Settlement Housing Fund believes that converting apartments in cluster homeless sites back to permanent affordable housing is good for tenants, buildings, and neighborhoods,” said **Alexa Sewell, President, Settlement Housing Fund, Inc.** “We applaud the Mayor for taking the important first step of bringing in responsible non-profit owners who will focus on long term stability for nearly 800 low-income families.

“The Joint Ownership Entity New York City was created by the City's community development corporations to increase the amount of affordable housing owned by mission driven nonprofits. JOE members Banana Kelly, Fifth Avenue Committee, and MHANY Management each have decades of experience providing affordable housing to low-income New Yorkers. We are pleased to collaborate with the City to complete this innovative transaction which will provide permanent high quality housing for homeless families, as well as for existing rent stabilized tenants,” said **Peter Madden, Executive Director, the Joint Ownership Entity New York City.**

“The City has truly scored a trifecta with this plan. This unprecedented program will decrease the number of cluster site units, significantly increase the number of affordable apartments, and lift more than 1,000 vulnerable New Yorkers out of homelessness and put them on the path to independence and stability,” said **Mitchell Netburn, President and CEO, Samaritan Daytop Village.** “Samaritan Daytop Village is proud to partner with the de Blasio Administration to address our housing crisis in a smart and innovative way. Our dedicated staff is ready to roll up their sleeves and get to work – as we've done in this City for more than 50 years.”

“As a mission driven nonprofit that focuses on neighborhood stabilization, we are pleased to be partnering with the City on this innovative program, said **Salvatore D'Avola, Executive Director, Neighborhood Restore Housing Development Fund Corporation.** “By ending the cluster shelter model and creating permanent affordable housing for homeless families and existing residents, the City will prevent the further displacement of its' most vulnerable population, improve living conditions and transform properties from their blighted state into community assets.”

“Today’s announcement marks a historic step forward in replacing unstable cluster-sites with affordable high quality permanent housing for homeless families. Legal Services NYC looks forward to working together with the Mayor and HPD to insure the success of their plan to phase out cluster-site housing.” said **Edward Josephson, Director of Litigation Legal Services NYC.**

“This unprecedented collaboration demonstrates what can be accomplished when government and nonprofit partners work together to transform the way we deliver shelter services and address the affordable housing crisis in our city. HSU congratulates DHS, HPD and all of the nonprofit partners, including HSU members HELP USA and Samaritan Village, on restoring nearly 500 units of cluster shelter to their suited purpose as permanent affordable housing,” said **Catherine Trapani, Executive Director, Homeless Services United.**

“CCC supports the City administration’s plan to convert 17 cluster site buildings to permanent housing for homeless families. We know that homelessness is a traumatic experience for parents and their children and that homeless families are often socially isolated and lack connections to needed social supports as well as community and peer networks. We commend DHS and HPD for their engagement of non-profit partners in this initiative. This partnership will help to ensure that permanent homes will be created in stable, well managed buildings and that homeless families benefit from increased connection to needed social services,” said **Jennifer March, Executive Director of Citizens’ Committee for Children of New York, Inc.**

“We would like to sincerely Thank Mayor de Blasio, and Commissioner Banks for the use of bold ideas to address homelessness. The opportunities for these 17 building to become affordable housing combined with the dedication to the more than 1000 cluster sites residents that will now calls these apartments home shows a commitment to housing for those most in need. We are also excited to hear many of our nonprofit partners such as Banana Kelly will be involved on the management side. Picture the Homeless strongly supports that no cluster site resident should have to return to a shelter or the streets and we celebrate that we are at 70% percent of closure of cluster sites and look forward to reaching 100% in 2021,” said **Monique "Mo" George, Executive Director, Picture the Homeless**

“We applaud the City’s efforts to return to affordable rent-regulated apartments to the City’s housing stock and move homeless New Yorkers from shelter to permanency. We look forward to the return of more cluster site apartments to rent stabilization at affordable rent levels and will continue to work with the City to ensure that those apartments which have left the cluster system are returned to rent stabilization,” **Judith Goldiner, Legal Aid Society.**

“It is good news that DHS is making significant progress toward the goal of ending the use of cluster sites to shelter homeless families, and ensuring that these units are converted into affordable permanent housing,” said **Giselle Routhier, Policy Director, Coalition for the Homeless.**

“For many previously homeless families, access to support services is critically important to helping them retain permanent housing. New Destiny applauds this effort by HPD and DHS to address the unmet need for both permanent housing and services,” said **Carol Corden, Executive Director, New Destiny Housing.**

“Replacing cluster units with desperately needed permanent affordable housing connected to services for some of the city’s most vulnerable families is great news for New Yorkers and a major step in our fight against homelessness,” said Judi Kende, vice president and New York market leader, Enterprise Community Partners. “We commend DHS and HPD for following through on this commitment, and for working with community-based nonprofits to provide critical services and support to more than 1,000 New Yorkers who will benefit from this new effort announced today,” said **Judi Kende, Vice President and New York Market Leader, Enterprise Community Partners, Inc.**

“Acacia Network supports the Mayor’s Turning the Tide plan and any initiative that increases the permanent housing stock for homeless New Yorkers,” said **Raul Russi, CEO of Acacia Network.**

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