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**NEW TOOL TO COMBAT HOMELESSNESS: MAYOR DE BLASIO MOVES TO  
CONVERT CLUSTER BUILDINGS INTO PERMANENT AFFORDABLE HOUSING  
FOR HOMELESS FAMILIES**

*City will help non-profit developers acquire and rehab cluster sites; will use eminent domain if necessary*

**NEW YORK**—Mayor Bill de Blasio today announced that the City will help not-for-profit developers acquire and rehab residential “cluster site” buildings, currently used to house homeless families, and convert them into permanent affordable housing in a historic move to address the homelessness crisis in New York City. If negotiations to buy cluster site buildings are not successful, the City will use eminent domain to acquire them.

Over the past 17 years, New York City has used the cluster site program to provide shelter for homeless families, a practice that the de Blasio Administration committed to ending last February as part of its [Turning the Tide on Homelessness in New York City](#) plan.

“Our city’s homelessness crisis wasn’t created overnight and it won’t be solved overnight. It requires us to come up with creative and bold new strategies to help those on the street and those in need of shelter and affordable permanent housing,” said **Mayor Bill de Blasio**. “This initiative will transform dozens of dilapidated temporary apartments into quality, permanently affordable homes. The effort is a clear sign that we will go to any length necessary to help our neighbors get back on their feet.”

To implement *Turning the Tide*, the City is using a new tool to end the 17-year-old cluster site program through negotiated resolution or use of eminent domain. The de Blasio Administration is financing the acquisition of cluster buildings by trusted locally-based not-for-profit developers, who will rehabilitate them working with the City’s Department of Housing Preservation and Development, creating affordable housing for homeless families and returning rent-stabilized units to market while utilizing a new strategy to end the use of cluster apartments for homeless families. The new owners will enter a regulatory agreement with HPD to ensure the long-term affordability of the cluster apartments as housing for homeless families and other low-income New Yorkers.

During this transition, 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 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 also be given a new rent-stabilized lease that offers additional protections under HPD's regulatory agreement.

The City has so far identified 25 to 30 cluster site buildings that qualify. Only buildings where 50 percent or more of apartments are cluster apartments will be considered. The targeted buildings are home to approximately 800 homeless families and 300 other tenants—meaning this group of properties will create over 1,100 permanent and affordable homes.

“Being in charge of the health and wellbeing of 8.5 million New Yorkers is no small task and as a physician, a public health practitioner and as a mother, I know how important having a permanent home is to a family,” said **Deputy Mayor for Health and Human Services Herminia Palacio**. “Removing the uncertainty of housing can strengthen the health of a family and stabilizing families leads to stronger communities. Through this unprecedented step we will further support the many hardworking mothers and fathers who strive to make secure lives for their families. Thank you Mayor de Blasio for keeping us focused on homelessness, and for continuing to challenge us to be creative in our approach towards solving this crisis.”

“Addressing a crisis decades in the making demands aggressive action that leaves no stone unturned. As we end the Giuliani-era cluster program, already reducing citywide use by more than a third, this strategy is part of our commitment to using every tool at our disposal to help New Yorkers in need get back on their feet—while also creating permanent housing for homeless families and preserving affordability for thousands of New Yorkers for years to come,” said **Department of Social Services Commissioner Steven Banks**. “Today's announcement should make crystal clear that we mean business, moving forward on every front to phase out this 17-year-old stop-gap measure once and for all in our mission to better serve homeless New Yorkers and all New Yorkers.”

“HPD is working to create and preserve affordable housing at record pace, setting aside more homes for homeless families, and introducing new tools to protect tenants and keep them in their homes and neighborhoods,” said **Department of Housing Preservation and Development Commissioner Maria Torres-Springer**. “This latest initiative with DSS will convert many of the remaining cluster buildings into permanent affordable housing and place the properties in the capable hands of trusted, locally-based non-profit partners, ensuring their quality and affordability for current and future families. Solving the homelessness crisis means all options must be on the table and we are committed to working with DSS and many partners on this bold strategy to ensure homeless families and low-income New Yorkers have safe and secure homes.”

Since January 2016 when the City was using a high-point of approximately 3,600 cluster units and first announced its intention to end the cluster site program, the City's Department of Homeless Services has reduced the citywide use of cluster apartments to shelter homeless

families by more than 35 percent using multiple strategies. That included closing nearly 1,100 cluster units and counting, more than 600 of which were in the Bronx, where the vast majority of clusters have been historically located. In addition, the City has converted about 300 units across seven cluster site locations into State-licensed shelters operated by not-for-profit homeless services providers.

In January 2016, the City was managing 3,650 cluster apartments across the five boroughs. As of December 4, 2,272 homeless families remain in cluster sites.

"I applaud Mayor de Blasio for taking bold action in transforming the cluster site program that has been a problem for decades into permanent housing for homeless families," said **Brooklyn Borough President Eric Adams**. "The City must utilize every tool that is available to combat our homelessness crisis, and this new initiative deploys meaningful financial and legal resources for that very purpose, while creating hundreds of new, nonprofit-owned homes that are permanently affordable in communities like central Brooklyn."

"The effort put forth by the Mayor to rehabilitate these rundown cluster units and turn them into housing for low-income residents and resource centers for the homeless is a step in the right direction. Affordable housing has always been a concern and this housing development project will improve many local families opportunities to call the Bronx their home. Work is never done to preserve and expand affordable housing and this development project is a sign that progress is being made," said **Assembly Member Victor Pichardo**.

"Cluster sites have proven to be costly and inefficient and this is the right decision," said **Council Member Stephen Levin, Chair of General Welfare Committee**. "This long overdue action will provide affordable housing to some of New York's most vulnerable families. I applaud Mayor De Blasio's leadership on this issue and look forward to working with the administration to ensure that the City is utilizing all of the tools available to continue to reach the goals of Turning the Tide."

"Pushing for the end of cluster sites is the right thing to do to ensure we are on a path to find stable and permanent housing for families. The Bronx has the highest concentration of cluster sites, and it's time to move forward with a permanent solution. The Mayor's efforts are laudable and look forward a partnership to ensure stable homes, affordable homes for NYC families in need," said **Councilman Ritchie Torres**.

"Ending clusters in New York City is an economically sound decision and a step towards more affordable housing," said **Council Member Andrew Cohen**. "We need to pursue pragmatic and sustainable solutions to the homeless crisis. I applaud the Mayor for this initiative which will move the city towards a long term solution to the housing crisis."

"Affordable housing is the foundation of our commitment to stabilize and strengthen families and address the homelessness crisis in our City. Cluster site units take up a valuable part of our housing stock and I commend the Administration for today's announcement to further commit to phasing out these units," said **Council Member Vanessa Gibson**. "I appreciate the commitment to providing sustainable long term housing and partnering with local not for profit organizations who will own and operate many of these neglected buildings which are predominately located in

the Bronx. I look forward to these goals coming to completion and bringing more affordable housing options online and creating the enhanced quality of life that so many of our residents and families truly deserve.”

“For almost twenty years, cluster sites removed affordable rent regulated apartments from the affordable rental housing stock, exacerbating the homeless crisis and rewarding bad landlords by overpaying them. Our clients relegated to these units have had to suffer decrepit living quarters riddled with housing and health code violations that no human being should have to endure,” said **Seymour W. James, Jr., Attorney-In-Chief of The Legal Aid Society**. “As we’ve maintained, the only true fix to combat homelessness lies with the preservation and creation of long term, affordable housing. The Legal Aid Society lauds Mayor Bill de Blasio for transforming cluster site housing into permanent affordable housing and using eminent domain to ensure that the taxpayers do not reward slumlords more than they have already been rewarded.”

“From its inception in 2007, the Cluster Site Shelter program has provided perverse incentives to landlords seeking to charge top dollar for shelter residents in rent stabilized apartments. The majority of these units are in the Bronx,” said **Harry DeRienzo, President of Banana Kelly Community Improvement Association**. “We at Banana Kelly have long opposed this program and applaud the Mayor’s plan to responsibly end this program. We are happy to partner with the de Blasio administration to return these units to the rent stabilized sector, take the buildings out of the speculative market, and ensure long term affordability for the current tenants as well as the shelter residents who will now have the opportunity to become legalized tenants.”

Earlier this year, 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. 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.

The Mayor also recently released [Housing New York 2.0](#), an updated plan accelerating the creation and preservation of 200,000 affordable homes by 2022, and expanding that goal to finance 300,000 affordable homes by 2026 – enough to house the entire population of Boston.

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