



# UNITED STATES SENATE

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## CANTWELL, SCHUMER PUSH NATIONAL PLAN TO INCREASE FEDERAL RESOURCES IN NYC FOR AFFORDABLE HOUSING & TO FIGHT HOMELESSNESS; NEW EFFORT WOULD BE KEY TO EXPANDING AFFORDABLE HOUSING UNITS IN NYC

*Cantwell & Schumer, Joined By Leading NYC Housing Builders and Advocates, Urge Congress to Expand Low-Income Housing Tax Credit, Critical Resource That Has Helped Finance Nearly 3M Homes Across the United States, Thousands in NYC*

*Affordable Housing Proposal Would Add 400,000 Additional Units of Affordable Housing Nationwide Over the Next Decade*

WASHINGTON, D.C. – Today, U.S. Senator Maria Cantwell (D-WA) and U.S. Senators Charles E. Schumer (D-NY) were today joined by local housing builders and advocates to urge Congress to expand the Low-Income Housing Tax Credit (LIHTC). Cantwell and Schumer pushed a national campaign, led by Cantwell, to increase federal resources for affordable housing. Cantwell and Schumer are calling for a 50 percent expansion of the LIHTC, and reforms to better target the lowest income populations. Since its creation 30 years ago, this tax credit has financed nearly 3 million homes across the United States, several thousand in New York City alone. The proposal would finance approximately 400,000 additional units of affordable housing nationwide over the next decade.

"Like Washington State, New York and our nation as a whole face serious challenges when it comes to affordable housing and homelessness. The Low Income Housing Tax Credit is a critical tool that communities across the nation can use to address these issues. The project that we are visiting today, Phipps Houses, is a perfect example of how housing tax credits can bring together federal, state, local, nonprofit and investors to solve one of our most pressing problems. Nationally, we estimate that our legislation will allow an additional 400,000 units of affordable housing to be built over the next ten years, including an additional 14,000 in New York state," said **U.S. Senator Maria Cantwell**.

"Access to affordable housing is essential for the health of our families and the economic strength of our communities and that's why expanding the federal low-income housing tax credit is so important," said **U.S. Senator Charles E. Schumer**. "The key to New York's continued growth and economic strength is directly tied to the need to expand our pool of affordable housing for young people, for new families and for others – and the federal government, via this tax credit, needs to be a full partner in that effort. With thousands of homeless and housing-needy people in New York City alone, we need to do all we can to provide families and children with safe and affordable housing options. This tax credit has already financed millions of homes across the country and this national plan will help finance hundreds of thousands more. I will continue to fight tooth and nail in Congress, alongside my colleague Senator Cantwell, to make sure these tax credits are expanded."

"Given the affordable housing crisis in New York City and across the country, we cannot thank Senator Cantwell and Senator Schumer enough for their vision and leadership in the effort to increase and improve the Low Income Housing Tax Credit," said **Gary Rodney, President of The New York City Housing Development Corporation**. "Already the most powerful affordable housing tools of the last three decades, the federal 4% and 9% tax credits will become even more efficient and effective through the legislation that is being put forth. The proposed changes will enable the credits to serve even more low-income households across the full spectrum of need, while fostering more diverse and dynamic communities."

"Expanding the Low-Income Housing Tax Credit by 50 percent would be a game-changer for addressing New York's affordable housing crisis," said **Jolie Milstein, president & CEO of the New York State Association for Affordable Housing (NYSFAH)**. "Congress must act now to help us ensure that more low-income families can receive the safe, quality housing they deserve. We are deeply grateful to Senators Schumer and Cantwell for their powerful commitment to affordable housing in New York and across the nation."

"As a statewide affordable housing policy and advocacy organization, the New York Housing Conference recognizes the desperate need for additional federal resources to combat our State's affordable housing crisis. We thank Senators Schumer and Cantwell for supporting the low-income housing tax credit, an important federal program that will create thousands of affordable housing opportunities for New Yorkers and low income households across the country struggling right now to pay their rent each month. This legislation not only will increase the housing tax credit program but will bring income diversity to the program through "income averaging". The

benefits to New York and other high cost markets are tremendous, as this legislation will facilitate more housing to be built that is affordable to extremely low income families and seniors and promote economic diversity in buildings and communities, an attribute of healthy communities,” **said Rachel Fee, Executive Director of the New York Housing Conference.**

“Enterprise is thrilled to have Senator Schumer and Cantwell’s support for expanding and strengthening the Low-Income Housing Tax Credit,” **said Judi Kende, Vice President and New York Market Leader, Enterprise Community Partners, Inc.** “Their forthcoming legislation will help us provide affordable homes to tens of thousands more New Yorkers over the coming years through an increase in Housing Credit resources, and to serve a broader range of households – from the lowest-income families to struggling working families to seniors – through the income averaging proposal. For the more than 1 million New York households paying more than half of their income in rent, these new resources and important reforms can’t come soon enough.”

“Senator Cantwell's proposal could not have come at a better time. Both NYS and NYC are actively engaged in unprecedented efforts to develop supportive housing. NYC is committed to 15,000 units of supportive housing and NYS is finalizing its plan to produce 20,000 units. These homes will help homeless individuals and families integrate back into the community. Having more Low Income Housing Tax Credits in one of the most competitive housing markets will leverage the massive private investment that we need. Thank you Senator Schumer and Senator Cantwell for your leadership and vision in bringing forward this bold initiative,” **said Laura Mascuch, Executive Director, Supportive Housing Network of New York.**

**Barbara Thompson, executive director of the National Council of State Housing Agencies,** which represents all state Housing Credit allocating agencies and co-chairs the national ACTION coalition backing this effort, said “We are deeply grateful to Senator Cantwell and Senator Schumer for recognizing the enormous need for more affordable rental housing in this country and that the best response is through the proven and highly effective Low Income Housing Tax Credit program.”

“We can’t ignore the painful reality of the nation’s affordable housing crisis—not when more than 11 million Americans spend over half their income on rent,” **said Matt Josephs, senior vice president with the Local Initiatives Support Corporation (LISC),** a national nonprofit focused on revitalizing neighborhoods. “Senators Schumer and Cantwell have focused sharply on this challenge with their proposed expansion of the Low Income Housing Tax Credit. The housing credit drives affordable housing development, eliminates blight and helps lift people out of poverty, and we commend Senators Schumer and Cantwell for supporting this critical program.”

**Adam Weinstein, President and CEO, Phipps Houses, says:** The low income housing tax credit is the essential tool to build affordable housing and fight gentrification in America, and particularly its cities. It proves its worth over and over, leveraging private capital far in excess of its cost to the taxpayer. Sen. Schumer's and Cantwell's bill will magnify its impact further, and importantly, will help transform it from the 'low income' credit to the 'mixed-income' credit, supplying more housing for both the extremely needy households, and more moderate income ones.”

**Julie Shapiro, Executive Director of The Door, says:** “We strongly support Senator Schumer and Senator Cantwell’s campaign to increase low income housing tax credits in New York City and across the nation. The Door’s East 9th Street supportive housing residence perfectly illustrates how essential these tax credits are. Our residents are a severely underserved group – young adults aged 18 to 26 years old who are chronically homeless. Without low income tax credits, quite simply, this residence wouldn’t exist and we could not meet the needs of the young people we serve.”

In 2014, “Phipps Houses” and “The Door” partnered to open the East 9<sup>th</sup> Street supportive housing development. This facility provides supportive and permanent single and family housing for 40 young adults aged 18 to 26 years old who are chronically homeless and have a serious mental illness. In this partnership, Phipps Houses is responsible for managing and operating the building, and The Door is responsible for coordinating and providing supportive services to residents to help them achieve long-term self-sufficiency.

According to Phipps, the federal low income housing tax credit is an integral part of its projects’ financing. In fact, Phipps has developed several thousand housing units in the last decade only using tax credits.

Advocates say there is an urgent need for more housing opportunities like Phipps Houses on East 9<sup>th</sup> Street. According to the Coalition for the Homeless, there were over 60,000 homeless people in February 2016 sleeping in the New York City municipal shelter system. According to Phipps, on any given night, there is an estimated 3,800 homeless young people in New York City; 1,600 young people sleep on the street, in abandoned buildings or on public transportation. However, only 6% of New York City’s population of runaway and homeless youth can be housed with the current number of housing units currently designated for young adults.

Cantwell and Schumer were joined by NYC HDC President Gary Rodney, Judi Kende of Enterprise Community Partners; Julie Shapiro of The Door; Rachel Fee of the New York Housing Conference; Jolie Milstein of the New York Housing Conference; Laura Maschuch of Supportive Housing Network of New York; Jamie Rubin, Commissioner of NYS Housing and Community Renewal and representatives of local housing organizations including: Community Development Futures, Settlement Housing Fund, Forsyth Street Advisors, WilmerHale, LiveON NY, ANHD and LISC.

In addition to calling on Congress to expand the Low-Income Housing Tax Credit, Cantwell and Schumer also released a report titled, “Addressing the Challenges of Affordable Housing & Homelessness: The Housing Tax Credit,” which found that across the country there are 3.9 million extremely low-income families. According to the Urban Institute, in New York State there are 871,841 extremely low-income households competing for 269,115 affordable housing units. Since its creation in 1986, the Low-Income Housing Tax Credit has helped develop or preserve over 170,290 homes in New York, providing affordable housing to 395,610 households in New

York and generating over \$18 billion in local income. That includes over 122,000 units in New York City alone.

In December of last year, Cantwell championed the LIHTC and secured a critical fix to the program by permanently extending the credit rates to 9 percent of eligible costs on new construction. This ended an era when variable rates made financing of affordable housing less predictable.

Since its creation 30 years ago, this tax credit has financed nearly 3 million homes across the United States, leveraging more than \$100 billion in private investment.

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