



NYSFAH Disaster Rehousing Recommendations Memo

In the wake of Superstorm Sandy, thousands of families were displaced from their homes. In an already strained housing market, this deepened an affordability crisis facing many low, moderate, and middle income families. In the months after the storm NYSFAH worked closely with members and HPD to inventory vacant affordable housing units, identify regulatory barriers and coordinate logistics for housing referrals. New York City should use the lessons learned from the Sandy rehousing efforts to develop a rehousing strategy that will guide future responses to large-scale disruptions to the city's housing stock. Based on the knowledge gained from post-Sandy efforts, NYSFAH makes the following recommendations to help craft future rehousing plans:

- 1. Develop an outreach strategy to communicate with building owners on available vacant units:*

Understanding where vacant apartments are available in the days immediately following a disaster is critical to quickly connecting displaced households with new temporary or permanent housing. HPD could develop a disaster-preparedness contact database and listserv for all building owners/managers with HPD/HDC supported projects in the five boroughs. HPD could also identify a point person at each company that will serve as the contact for post-disaster communications. In anticipation of, or immediately following a disaster, HPD could activate this list to gain information on vacant units. In addition, HPD could brief contacts on the post-disaster rehousing strategy prior to a disaster so they understand the rehousing process and can assist the city in executing it as quickly and smoothly as possible.

- 2. Develop a centralized intake process for applications and referrals for displaced households:*

In the weeks after Sandy, HPD launched the Housing Recovery Portal to receive applications from displaced households for both temporary and permanent housing and connect households with housing options. As of February 2013, over 1,500 households – primarily renters – have registered through the portal. The city should assess the success of the Portal system, using these lessons to develop an intake system that can be activated immediately after a major disruption in the housing stock.

- 3. Identify waivers necessary for the rehousing process:*

One of the major issues impeding the rehousing process after Sandy was the regulatory restrictions that made it difficult to relocate households that were outside of income qualifying guidelines or lacked proper documentation. The IRS issued Notice 2012-68 shortly after the storm to allow non-income qualifying tenants to relocate to Low Income Housing Tax Credit (LIHTC) buildings on a temporary basis. However, the notice expires November 2013 without

any clarification on situations in which non-income qualified tenants remain in LIHTC units past the waiver expiration date. In cases where tenants refuse to leave, buildings may become subject to recapture, jeopardizing tax credits and – by extension –affordable housing investors. This is further complicated by New York State’s rent stabilization laws, which may legally grant tenants the right to stay in units for which they are not income-qualified. As a result, these units cannot be used for short-term rehousing efforts for non-income qualified tenants without appropriate waivers that protect buildings, their owners, and investors. Protocol for the following waivers should be put in place prior to the next disaster:

- a. *LIHTC Waiver*: NYC HPD should be recognized as a “state housing agency” pursuant to the Notice in order to approve the use of projects as temporary housing. Displaced individuals occupying LIHTC units should be deemed qualified low-income tenants for purposes of determining the project's qualified basis for the duration of the waiver. In addition, displaced individuals occupying LIHTC units should be deemed qualified low-income tenants for the duration of their residency even after the expiration of the waiver in cases where tenants are refusing to leave so as to not jeopardize the tax credit status of the building.
- b. *Rent Stabilization Exemption*: Temporary tenants relocated as a result of a specific disaster should be explicitly exempted from obtaining rent stabilization status, which would otherwise make it more challenging to remove a tenant at the end of the lease term than it already could be.

A list of any additional regulatory restrictions that may preclude a project from being used as temporary housing should be created. Related waivers should be developed and negotiated with appropriate agencies and public officials prior to the next disaster so that they can be implemented immediately.

4. *Identify and craft a third party lease agreement for households seeking temporary housing:*

To meet the temporary housing needs of displaced households after Sandy, a master lease should be developed that can be used with a third-party organization to enable the use of affordable and market rate units as temporary housing. The concept of using vacant units for the purpose of temporary housing is promising. Providing stable housing for those who are temporarily displaced from their home in the short or medium term would provide families with the privacy and amenities offered by an apartment (as opposed to a shelter or hotel room), at a savings to public agencies. In crafting the master lease terms, building owners/managers and others stakeholder organizations such as NYSFAFH should be engaged, to ensure the terms are practical. This agreement should also address logistics for providing basic furnishings for apartments for the duration of their use as temporary housing.

5. *Adopt an expedited qualifying process for displaced households applying for permanent affordable housing:*

As part of the city's rehousing effort, HPD and HDC streamlined requirements for income qualification in affordable developments in order to assist displaced households that may have lost some or all of their income and employment documentation as a result of the storm. This was also intended to help expedite the process of placing displaced income-qualifying households into units as quickly as possible. HPD and HDC should use these streamlined standards as a template to develop income qualifying procedures for rehousing in post-disaster scenarios.

6. Advocate for allocation of disaster Section-8 vouchers for households below 30% AMI:

The largest population to register for housing assistance through the Housing Recovery Portal was households below 30% AMI. In order to meet the permanent rehousing needs of households below 30% AMI, the city could advocate in a post-disaster scenario for a federal allocation of Section-8 vouchers as part of disaster relief. This will help households below 30% AMI gain access to the city's affordable housing stock, which often serves populations at 50-60% AMI and up to 165% AMI. These vouchers will ensure that these households have access to permanent, safe, high quality affordable housing.

NYSFAFH is the trade association for New York's affordable housing industry statewide. Our 300 members include for-profit and nonprofit developers, lenders, investors, attorneys, architects and others active in the financing, construction, and operation of affordable housing. Together, NYSFAFH's members are responsible for most of the housing built in New York State with federal, state or local subsidies.

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