



# OPEN **BUFFALO**

REBUILDING OUR NEIGHBORHOODS:

Improving New York State Housing Policy to  
Better Meet Upstate Needs

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## An Open Buffalo Report

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## EXECUTIVE SUMMARY

New York faces a wide variety of housing challenges. While in the New York City region, where the population is growing, availability and affordability are the most pressing concerns, upstate regions have a different set of problems stemming from population loss, housing vacancy, abandonment, and deterioration. To address the full range of issues, state housing policy needs a variety of tools in its tool box. This policy brief discusses four ways that state housing policy can better address the needs of upstate regions such as Buffalo:

- Support holistic neighborhood revitalization, using Buffalo’s award-winning Green Development Zone as a model;
- Restore and enhance funding streams for small projects and housing repairs;
- Adjust New York’s Low Income Housing Tax Credit Qualified Allocation Plan to better address upstate needs; and
- Revise the DHCR Design Handbook to better facilitate rehabilitation projects;

## BUFFALO’S HOUSING CRISIS: A CASE STUDY

Buffalo’s housing problems are typical of many upstate regions that face declining populations and an older housing stock, but, partly due simply to its size, Buffalo faces perhaps the most extreme challenges, which can aptly be called a crisis of vacancy and abandonment.

Between 1950 and 2010, the city’s population shrank from 580,132 to 261,310. Much of this urban shrinkage came from the suburbanization typical of nearly all American cities; while the city’s population fell by more than half, the

Buffalo’s shrinking population – as a city and a metropolitan region – has led to a crisis of vacancy and abandonment.

suburban population grew by more than half. But what makes Buffalo unusual is that the metro region as a whole began losing population in the 1980s – shrinking from 1,190,288 in 1990 to 1,123,804 in 2010; thus, the region has suffered sprawl without growth.<sup>1</sup>

Suburban flight in a region with very low in-migration has created a remarkable amount of vacancy in the city’s core and, increasingly, in inner-ring suburbs and rural village centers. At 15.7%, the City of Buffalo’s vacancy rate is now the ninth highest in the nation for cities over 250,000. The number of undeliverable addresses measured by the Postal Service in Buffalo rose from 15,651 to 20,692 from the fourth quarter of 2005 to the third quarter of 2010.<sup>2</sup> As of 2000, the City estimated that it contained 10,170 vacant lots and 8,684 abandoned structures.<sup>3</sup> By April 2010, the City counted 15,897 vacant lots within its borders. The acreage of vacant land in the City grew from 2,722 acres in 1999 to 3,222 acres in 2007.<sup>4</sup>

**Percentage of housing units vacant, as measured by the Census (this includes units vacant for any reason; not just abandoned units)**

<i>Year</i>	<i>Percent of Housing Units Vacant</i>
1970	4.9% <sup>5</sup>
1980	9.9% <sup>6</sup>
1990	10.2% <sup>7</sup>
2000	15.7% <sup>8</sup>
2010	15.7% <sup>9</sup>

Housing abandonment is a particular problem when combined with concentrated poverty. Buffalo’s low-income neighborhoods are filled with boarded-up houses and vacant lots, leading to increased drug activity, arson, vandalism, and fueling a cycle of disinvestment and downward spiraling property values. Some neighborhoods have vacancy rates of over 40 percent.

Unfortunately, a weak housing market with high vacancy rates does not translate into housing affordability for residents. In 2000, the Buffalo-Niagara metropolitan area was the 14<sup>th</sup> worst region in the nation for rental housing affordability.<sup>10</sup> In 2010, 60% of Buffalo renters paid over 30% of income for rent. Currently, roughly 26,000 people are waitlisted

Buffalo lacks housing that its residents can afford. In 2010, 60% of Buffalo renters paid over 30% of their income for rent

for rental assistance through the local Housing Choice (Section 8) voucher program, and new applications are not being accepted. Sharp cuts to subsidized housing have created an 8-10 year wait list.<sup>11</sup> High utility costs add to housing burdens. Buffalo area residents pay well above

national averages for their electricity and natural gas, and the aged, often un-insulated housing stock drives costs up further.<sup>12</sup> Partly as a result of this affordability problem, roughly 5,050 people in Erie County experienced homelessness in 2011.<sup>13</sup>

The City of Buffalo has the oldest housing stock of any major city, with 67.3% of units built in 1939 or earlier, and with 1.9% of its units built since 2005.<sup>14</sup> The age of the housing, and its often deteriorated condition, contributes to the fact that Erie County has one of the highest levels of lead poisoning in the state, with 2.79% of children tested showing elevated lead levels in their blood in 2008, and 1.56% in 2009.<sup>15</sup> Bad housing conditions such as dampness, dust, draftiness, and pest infestation also exacerbate asthma, a chronic condition from which between 13% and 22% of children in Buffalo suffer.<sup>16</sup>

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The burdens of Buffalo's housing crisis fall particularly heavily on minority residents, who tend to live in blighted and impoverished urban neighborhoods. The Buffalo-Niagara metro area is 15th most segregated in the nation.<sup>17</sup> Blacks make up 38.6% of the population in the city, but only 3.5% in the rest of the county. Hispanics are 10.5% of the city's population, but only 2.2% in the rest of the county. Of the largest 100 U.S. MSAs, Buffalo-Niagara has the highest percentage (over 80%) of blacks living in high-poverty neighborhoods, compared to 10.6% of whites.<sup>18</sup> Buffalo has one of the most severe urban/suburban divides in the nation, in terms of both race and income. The poverty rate in the Buffalo-Niagara metro region in 2010 was 13.8%, but the rate in the city of Buffalo was 29.6%.<sup>19</sup>

## POLICY IMPLICATIONS

A successful housing policy for a city like Buffalo must address the crisis of abandonment and blight while also increasing the number of decent, healthy, affordable homes. It must help to restore density, cohesion, and investment to blighted neighborhoods. Isolated, large-scale new buildings are generally less feasible and less advisable, because they can fuel the abandonment and demolition of existing structures, leaving neighborhoods further pocked with vacant buildings and lots. Instead, housing policy should help to repair existing units and rehab vacant structures to keep them from being abandoned, and to turn them into energy efficient, lead-free homes. Where new builds are done, they should generally be used to fill in gaps in

redeveloping neighborhoods. The winning strategy is to target resources into struggling but viable neighborhoods with a comprehensive, resident-driven plan that addresses each vacant or deteriorated building and lot. Only this holistic approach can reverse the downward spiral of disinvestment and replace it with a virtuous cycle of reinvestment.

Unfortunately, most of New York’s affordable housing programs and resources are targeted more toward the construction of new, multi-unit buildings than toward block-by-block neighborhood renewal through demolition, vacant lot greening, gut-rehabs, and repairs. New York’s policy generally seeks to build the most affordable units at the lowest cost in areas with the lowest vacancy rates, which can steer resources away from an impoverished and blighted community like Buffalo. We now consider four ways that New York can adjust housing policy to better serve the needs of Buffalo and other upstate areas.

## GREEN DEVELOPMENT ZONES

Buffalo has a model for holistic neighborhood redevelopment in the Green Development Zone on the city’s west side.<sup>20</sup> The Green Development Zone encompasses a 25-block area centered on Massachusetts Avenue. PUSH Buffalo, Habitat for Humanity, West Side Ministries, and Homefront Buffalo have completed gut-rehab of 33 units in 21 buildings, with 9 more units in 7 buildings in development. In May 2013, PUSH was awarded Low Income Housing Tax Credit financing to do nine new buildings and seven gut rehabs in the Green Development Zone.

The Green Development Zone won a global competition for sustainable urban design sponsored by the Rockefeller Foundation, HUD, and the AIA, beating over 289 projects from 48 countries.

PUSH has also gained ownership of dozens more parcels, about half of which are vacant lots, which are in a land bank for future development or maintained as green space. PUSH has greened more than 20 vacant lots with community gardens, rain gardens, and simple “clean and green” treatments. More than twenty disadvantaged young workers have been trained and worked on the project. Due in large part to PUSH and its allies, the near West Side is the first neighborhood in Buffalo to reverse the vicious cycle of abandonment and disinvestment. Property values in this area, having fallen for years, are now rising.

State and federal housing programs helped to make the Green Development Zone possible.

- The NYS Homes and Community Renewal (“HCR”) Sustainable Neighborhood Demonstration Program provided \$500,000.<sup>21</sup> (This program stopped accepting applications in 2010).<sup>22</sup>



- The NYS HCR disbursement of U.S. Department of Housing and Urban Development (“HUD”) Neighborhood Stabilization Program funds provided \$645,325.<sup>23</sup> (This program no longer exists).
- The NYS HCR Urban Initiatives program provided a \$200,000 grant.
- The NYS Affordable Housing Corporation (“AHC”) Block-by-Block program provided \$500,000 for the complete rehabilitation of six homes, which were rehabilitated by PUSH Buffalo’s partner organization, Homefront.
- PUSH Buffalo also received \$1,200,000 from the NYS HCR Small Project Program for the renovation of eleven units (this program no longer exists).
- The City of Buffalo provided two HOME grants of \$550,000 and \$322,817.
- Empire State Development Corporation provided a grant of \$320,000.

Buffalo needs funding not just to continue the success of the Green Development Zone but to replicate it and take it to scale in targeted blighted areas in each quadrant of the city: north, west, east, and south. Each of these quadrants could follow the Green Development Zone model, in which abandoned and dilapidated buildings and vacant lots are inventoried and the community participates in making a redevelopment plan to turn the area around.

## SMALL PROJECT AND REPAIR FUNDING

In the past, New York has had separate funding streams for small projects. A “small project” could be defined as a multi-unit project with between 12 to 20 units. Small project funding is essential for regions like Buffalo because the demand for large, new-build projects is limited, and large projects can even be counter-productive. Buffalo’s housing stock is heavy on single family homes and wood-framed duplexes, rather than on large apartment buildings. To turn a Buffalo neighborhood around, while respecting its historic character and walkable, urban fabric, developers must focus on scattered site projects, rehab, and infill, rather than on large new buildings. Assembling the number of sites necessary to create a large-scale project in a typical Buffalo neighborhood, while also focusing resources in a concentrated area, can prove nearly impossible. Most non-profit housing developers in Buffalo and other upstate regions are small in size and capacity. Managing large, multi-site projects and obtaining the requisite funding for both large and small projects is highly complex, time consuming, and expensive.

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Formerly, some of these projects were funded through the New York State Housing Trust Fund

Corporation (“HTFC”) Small Project Program (“SPP”), which last posted notice of available funds in 2008. Currently, small projects face the same application process as large projects, which require extensive work and sophistication. Unfortunately, it is very hard to use Low Income Housing Tax Credits to do small projects. Across New York State in 2011, considering all listed LIHTC allocations under the Consolidated Funding Application, the project with the lowest number of units to receive an LIHTC allocation was 24, the average number of units that a project receiving funding had was around 65, and the median and mode of units was 60.<sup>24</sup>

Larger projects offer economies of scale. But, for all the reasons noted above, large projects often cannot address upstate’s unique challenges; and thus, to steer upstate regions toward large projects can be wasteful and inefficient. One way HCR can aid scattered site projects is by increasing the amount of start-up, “seed” money granted. Currently, the HTFC can provide up to \$45,000 of “seed” money to help eligible non-profit applicants develop a full funding application.<sup>25</sup>

For similar reasons, Buffalo and other upstate regions urgently need money for the repair of deteriorated rental and owner-occupied housing. Buffalo has the oldest housing stock in the nation. Given the declining property values in many Buffalo neighborhoods, the market does not support investments in repairs and home repair loans are hard to come by. Many homeowners and rental property owners in Buffalo are living in or near poverty and – given their finances and the falling property values in their neighborhood – an inability to get loans. It is very common for basically sound buildings to be lost due to the owner’s inability to afford a new roof or furnace. Environmentally and fiscally, it is much more efficient to save these structures and keep their current inhabitants in them than to add them to the lists of abandoned buildings awaiting demolition. The Minor Home Repair program is an effective tool, but it can be difficult to use: for example, a housing agency may spend roughly \$1,200 to qualify a house for the program with environmental assessments and scope of work, only to find that the cost of repairs far exceeds the budget the state will allow.

## ADJUSTMENTS TO THE QUALIFIED ALLOCATION PLAN

The Low Income Housing Tax Credit (LIHTC) is a federal resource, allocated through the states. Each state uses a qualified allocation plan, or QAP, to determine eligibility for the LIHTC. It is possible but difficult under New York’s QAP to use LIHTCs to do neighborhood-based redevelopment upstate. Housing Visions, based in Syracuse, has successfully leveraged

The current tax credit program does not fully reflect upstate realities such as vacancy, deteriorated housing stock, high utility bills, lead and asbestos hazards, concentrated poverty and declining property values.





LIHTCs as a vehicle for neighborhood revitalization.<sup>26</sup> CODE, of Jamestown, has had recent success with a multiple-phase project called Appleyard Terrace, using scattered site projects to replace dilapidated structures with new townhouses. As noted above, the Buffalo Neighborhood Stabilization Corp. (the housing development arm of PUSH Buffalo) recently won LIHTC funding for a project on 14 different sites in the Green Development Zone. But it is growing ever more difficult to leverage LIHTCs for this type of project – precisely the type of project upstate regions most need. Obtaining the manpower and capital at smaller not-for-profit housing groups to create competitive applications is a constant challenge.

Additionally, the LIHTC application process can make upstate projects seem less important than they are. For example, the required market studies can be misleading when done upstate because they tend to show a surplus of housing units and moderate rents. Sometimes missing from the analysis, and from the scoring system, are the other elements of the upstate housing crisis: high utility bills, old housing stock with lead paint, asbestos, no insulation, and a host of other rehab needs; neighborhoods filled with vacant and abandoned buildings; and intensely concentrated poverty.

There are also fewer ways to finance upstate projects. In the New York City metro, it is very feasible and popular to create affordable housing by making it twenty percent of an otherwise market-rate project.<sup>27</sup> In weak market cities with very few new, large developments, the eighty-twenty model is essentially not available.

Similarly, private activity bonds are a common financing tool in the New York City metro, but generally cannot be used upstate due to weaker housing markets, smaller-scale projects, and smaller-scale developers. For the same reasons, one of the two types of LIHTC financing – the 4% credit deal – is not workable upstate.<sup>28</sup>

The state should give more points to projects that re-use existing buildings, preserve historic structures and urban fabric, include energy efficient insulation, aid neighborhoods with high abandonment rates and spring from holistic, targeted planning.

Given these realities, private investors prefer the New York City market, making it harder for upstate projects to put together the financing at attractive rates and harder to score well on the QAP.<sup>29</sup> By seeking to maximize private investment, the QAP criteria sometimes steer public dollars away from where they are most needed—where private investment is weakest. But there are several ways to make the QAP more reflective of upstate conditions. The QAP should allocate more points to projects that do the following.

- **Re-use existing buildings.** This should be a stand-alone category worth up to five points. The re-use of existing buildings is much more environmentally friendly than new builds, and it preserves the character of neighborhoods.

- **Preserve historic structures and existing urban fabric.**<sup>30</sup> Currently, the QAP offers two points to projects that include the rehabilitation of a “historic” building, and one point for applicants that can show the project contains a building that will be eligible for, and for which the applicant will seek, a federal historic building tax credit for rehabilitation of historic buildings.<sup>31</sup> The QAP should offer up to five points for preserving historic buildings and helping to stabilize and improve historic neighborhoods.
- **Include energy efficient insulation.** Insulation typically offers the most bang-for-the-buck in upstate regions with old, un-insulated housing stock and cold winters. The section on energy efficiency provides two ways an applicant can obtain five points regarding energy efficiency. This section could specifically address energy efficient insulation. The state also needs to factor in the costs of insulation and weatherization the development budgets it allows.<sup>32</sup>
- **Aid neighborhoods with high rates of vacancy and abandonment.** This would help balance the effect of the current criteria, which give up to five points to projects in a “strong housing market as evidenced by a vacancy rate of less than 5 percent for comparable units in the primary market area.”<sup>33</sup> However, to make sure that this criterion does not reinforce concentrated poverty or waste resources, the state may want to limit these points to projects that also score well on the following criterion for holistic, targeted redevelopment.
- **Spring from community-based, holistic, targeted redevelopment plans.** Currently the QAP gives up to five points for being a part of “a comprehensive community revitalization plan which includes the use or reuse of existing buildings, which may include the historic rehabilitation of existing buildings, and addresses employment, educational, cultural or recreational opportunities within the community.”<sup>34</sup> This language should be refined, and the score should be raised to up to ten points, as this is the essence of solving upstate’s housing crisis.

## MAKING THE DESIGN HANDBOOK MORE REHAB FRIENDLY

New York’s Design Handbook is largely geared toward new construction and generally does not have separate standards for rehab projects. Some of the standards can add significant time and expense to rehab projects unless DHCR waives them. While DHCR has shown a willingness to grant waivers in such cases, the need to apply for waivers adds time, expense, uncertainty, and risk to rehab projects. In some cases, it would make sense to simply build the waiver into the provision by adding an exception or separate standard for rehab projects.

There are already at least two examples of this “two-tier” approach in the current Handbook. The visibility



standards allow an up-front exception for rehab projects, noting that the standards should be applied to: “as many units as feasible in an adaptive reuse or rehabilitation project.”<sup>35</sup> Similarly, the Handbook specifies that all habitable rooms **in new builds** must have a ceiling height of 8.0 ft.-0 in.<sup>36</sup> While not offering more detail on ceiling heights in rehabs, the Handbook seems to recognize that rehab projects may require different heights.

Other areas where the Handbook could allow for up-front rehabilitation exceptions might include:

- **Bedroom size and closet requirement.** Many older buildings have smaller bedrooms than the Handbook allows and bedrooms that lack closets. Adding to bedroom size—especially if one must include a new closet—can require demolishing interior walls and radically reshaping the building. See DHCR Design Handbook § 4.03.03(E): Bedrooms.
- **Bathroom location.** The Handbook requires that “Bathrooms must be accessible from within the dwelling unit
- <sup>37</sup> and without traveling through the kitchen, living room or dining room.” This can require major structural changes in a rehab job. See § 4.03.03(F): Bathrooms.
- **Door and window hardware.** Section 4.04.08(c)(7) requires security grilles to be constructed of expanded metal or wrought iron, and secured in place with hardware that is not removable from the exterior. Meeting this requirement can require custom builds in a rehab project, which can be prohibitively expensive, and may have the unintended consequence of making the structure look penal when the grilles are installed. With the St. Martin Village project in Buffalo, DHRC granted a waiver to allow a type of security window and screen that saved cost, and prevented the building from appearing like a prison. Building this type of flexibility directly into the Handbook would be helpful.
- **Storage space.** Under the Handbook, all units must provide an area for bulk storage. On one recent PUSH project, this required excavating a basement and then running dehumidifiers constantly to keep the space mold-free – thus adding to construction and operational costs and decreasing sustainability.

## CONCLUSION

The creation of Regional Economic Councils has proven that the Cuomo administration realizes the unique circumstances that each area of New York faces. Upstate communities, such as Buffalo face very different, but no less urgent, housing challenges than the New York City area. The four affordable housing policy recommendations discussed above will allow more nuanced affordable housing development and growth across New York State.



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<sup>1</sup> The WNY Regional Economic Development Council, recognizing Buffalo’s history of sprawl without growth, strongly supports projects that exhibit characteristics of “smart growth.”<sup>1</sup>

A project should adhere to smart growth principles to integrate economic development and job creation with community quality-of-life by preserving and enhancing the built and natural environments. Smart growth principles include “infill” development, preservation of natural and cultural resources, reuse of buildings and brownfields and energy sustainability. A project that meets one or more smart growth principles would fulfill the criterion, while a project that encourages sprawl would not.<sup>1</sup>

<sup>2</sup> Anthony Armstrong, LISC Buffalo, “Vacancy, Abandonment, & Revitalization in Buffalo, NY.” Powerpoint presentation,

<sup>3</sup> Byron W. Brown, Mayor, *supra* note 11, at 24.

<sup>4</sup> Anthony Armstrong, LISC Buffalo, “A Cost Analysis of Vacant Homes in Buffalo Niagara,” Powerpoint presentation, May 9, 2012.

<sup>5</sup> Social Explorer Tables (SE), Census 1970, U.S. Census Bureau & Social Explorer, available at [www.socialexplorer.com](http://www.socialexplorer.com). This figure represents the total vacancy rate for Central City Part only in Buffalo. Housing abandonment, disinvestment, deterioration, and concentrated poverty have led to a sharp increase in tax foreclosures. From 2007 through 2010, the City averaged 2,669 tax foreclosures per year. This is far more than can be sold at the City’s annual foreclosure auction. For example, of the 3,304 foreclosures in 2009, only 826 were sold at auction, and the City took only 200 – leaving 2,278 to be adjourned – hence left in limbo, still owned by the delinquent owner, still burdened with liens – generally unmarketable and abandoned.

<sup>6</sup> Social Explorer Tables (SE), Census 1980, U.S. Census Bureau & Social Explorer. This figure represents the total vacancy rate for Buffalo city, New York.

<sup>7</sup> Social Explorer Dataset (SE), Census 1990, U.S. Census Bureau & Social Explorer. This figure represents the total vacancy rate for Buffalo city, New York.

<sup>8</sup> *Census 2000 Summary File 1 (SF 1) 100-Percent Data, Occupancy Status [3]*, 2000 Census, U.S. CENSUS BUREAU, <http://factfinder2.census.gov>, topic “Occupancy and Vacancy Status,” Place within State “Buffalo city, New York,” select Dataset “2000 SF1 100% Data” (last visited Feb. 23, 2011).

<sup>9</sup> *2010 Census Summary File 1, 2010 Census*, U.S. CENSUS BUREAU, <http://factfinder2.census.gov>, topic “Occupancy and Vacancy Status,” Place within State “Buffalo city, New York,” select Dataset “2010 SF1 100% Data” (last visited Feb. 23, 2011).

<sup>10</sup> *Share of Renters Paying More than 30% of Income for Rent*, DIVERSITYDATA.ORG (2000 Census Data), <http://diversitydata.sph.harvard.edu/Data/Rankings/Show.aspx?ind=264&tf=3&sortby=Value&sort=TopAndBottom&notes=True&rt=MetroArea&rgn=ShowLargest100>.

<sup>11</sup> United Way of Buffalo and Erie County, 2011-2012 Community Needs Assessment, p. 93.

<sup>12</sup> December 2010 electricity costs for residential users in New York was 17.72 cents per Kilowatt-hour (kWh), while the national December 2010 average was 11.06 cents/kWh. *Electric Power Monthly*, U.S. ENERGY INFORMATION ADMINISTRATION (Release Date Feb. 29, 2012), [http://www.eia.gov/electricity/monthly/epm\\_table\\_grapher.cfm?t=epmt\\_5\\_6\\_a](http://www.eia.gov/electricity/monthly/epm_table_grapher.cfm?t=epmt_5_6_a). Similarly, in 2011, New Yorkers paid an average of \$13.64 per thousand cubic feet of natural gas. The national average over the same period was \$10.80. *Natural Gas Prices*, U.S. ENERGY INFORMATION ADMINISTRATION (Release Date



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Feb. 29, 2012), [http://www.eia.gov/dnav/ng/ng\\_pri\\_sum\\_a\\_EPG0\\_PRS\\_DMcf\\_a.htm](http://www.eia.gov/dnav/ng/ng_pri_sum_a_EPG0_PRS_DMcf_a.htm)

<sup>13</sup> Zuchlewski, Dale. "2011 Annual Report" *Homeless Alliance of WNY*. Homeless Alliance of WNY, 6 Apr. 2011. Web. 03 Dec. 2012. <<http://wnyhomeless.org/local-homeless-statistics-and-information/>>.

<sup>14</sup> U.S. CENSUS BUREAU, AMERICAN FACT FINDER, SELECTED HOUSING CHARACTERISTICS, 2006-2010 5-YEAR ESTIMATES.

<sup>15</sup> *Lead: NY County Level Data*, CENTERS FOR DISEASE CONTROL AND PREVENTION (Oct. 15, 2010), <http://www.cdc.gov/nceh/lead/data/state/nydata.htm> (last visited April 12, 2012).

<sup>16</sup> [www.asthmawny.org/files/Kaleida\\_SAM\\_Presentation\\_3-26-08.ppt](http://www.asthmawny.org/files/Kaleida_SAM_Presentation_3-26-08.ppt)

<sup>17</sup> "Buffalo-Cheektowaga-Tonawanda, NY Profile: Residential Integration and Neighborhood Characteristics." *Diversitydata.org*. Harvard School of Public Health, n.d. Web. 03 Dec. 2012.

<sup>18</sup> *Share of Population Living in High Poverty Neighborhoods by Race/Ethnicity*, DIVERSITYDATA.ORG (2000 Census Data), <http://diversitydata.sph.harvard.edu/Data/Rankings/Show.aspx?ind=48&tf=3&sortby=Value&sortChs=6&sort=HighToLow&notes=True&rt=MetroArea&rgn=ShowLargest100#definition>.

<sup>19</sup> *State and County QuickFacts, Buffalo (city), New York, Persons below poverty level, percent, 2006-2010*, U.S. CENSUS BUREAU <http://quickfacts.census.gov/qfd/states/36/3611000.html>.

<sup>20</sup> See [www.greendevlopmentzone.org](http://www.greendevlopmentzone.org) for a full portrait and latest developments in the zone.

<sup>21</sup> *PUSH Buffalo Received First Award under HCR's Sustainable Neighborhoods Program*, N.Y. HOMES & COMMUNITY RENEWAL (April 18, 2011), <http://www.nyshcr.org/Press/News110418.htm>.

<sup>22</sup> *Open Window Local Program Funding Opportunities*, N.Y. HOMES & COMMUNITY RENEWAL (Sept. 28, 2010), <http://www.dhcr.state.ny.us/Funding/OpenWindow/LocalProgram.htm>. Of the \$2,000,000 initially allotted, eleven applications were received and three projects were funded before the applications were called to a halt.

<sup>23</sup> *Neighborhood Stabilization Program Grants*, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, [http://portal.hud.gov:80/hudportal/HUD?src=/program\\_offices/comm\\_planning/communitydevelopment/programs/neighborhoodspg](http://portal.hud.gov:80/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/neighborhoodspg) (last visited Dec. 1, 2011); *New York State Issues Plan to Distribute \$54.5 in Federal Funds to Buy and Renovate Foreclosed Properties*, N.Y. HOMES & COMMUNITY RENEWAL (Nov. 7, 2008) <http://www.nyshcr.org/Publications/NeighborhoodStabilizationProgram/PressRelease081203.htm>; *NSP Round 1 Grantees*, N.Y. HOMES & COMMUNITY RENEWAL (Dec. 1, 2010), <http://www.nyhomes.org/Municipalities/NSP/NSPRound1Awards.htm>. The Restore New York program has also stopped accepting applications for funding. *Restore New York Communities Initiative*, NEW YORK STATE'S EMPIRE STATE DEVELOPMENT <http://www.esd.ny.gov/BusinessPrograms/RestoreNY.html> (last visited April. 18, 2012).

<sup>24</sup> *Low-Income Housing Credit Program (LIHC), 2011 Consolidated Funding Application Multi-Family Project Awards*, N.Y. HOMES & COMMUNITY RENEWAL (last updated March 13, 2012), <http://www.nyshcr.org/Programs/LIHC/>.

<sup>25</sup> *About the Housing Trust Fund Program*, HOUSING TRUST FUND PROGRAM (Dec. 13, 2011), <http://nysdhcr.gov/Programs/HousingTrustFund/>. Seed money is capped at \$5,000 per unit, or \$45,000 total.

<sup>26</sup> *Real Plans, Real People, Real Progress*, HOUSING VISIONS, [http://www.housingvisions.org/viewer\\_syracuse/phh/](http://www.housingvisions.org/viewer_syracuse/phh/) (last visited Feb. 22, 2011).

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<sup>27</sup> “The 80/20 Program is one of the most popular financing programs for projects located in New York City and other high cost areas in New York State.” NEIGHBORHOOD PRESERVATION OF NEW YORK STATE, INC., <http://www.npcnys.org/Public/State/state80-20.htm> (last visited Nov. 22, 2011). For an overview discussion of the 80/20 financing affordable housing system, see Elise K. Traynum, *Subsidized Housing (80/20) Programs: Low-Income Housing Tax Credit and Tax-Exempt Housing Bonds*, 489 PLI/REAL 139, 151 (Feb. 2003); see also *80/20 Housing Program*, N.Y. HOMES & COMMUNITY RENEWAL (last updated Mar. 30, 2011), <http://www.nyhomes.org/Developers/MultifamilyDevelopment/8020HousingProgram.htm>.

<sup>28</sup> For a more detailed and statutory overview of Private activity bonds and tax exempt bonds generally, see Steven Maguire, *Private Activity Bonds: an Introduction*, CRS Report for Congress at CRS-4 (updated June 9, 2006), <http://www.policyarchive.org/handle/10207/bitstreams/19149.pdf>. See also Joseph Biber, *Financing Supportive Housing with Tax-Exempt Bonds and 4% Low Income Housing Tax Credits*, CSH 4 (Oct. 2007), <http://documents.csh.org/documents/pubs/BondsPlus4PercentLIHTCsFINAL.pdf>.

<sup>29</sup> *2010 Capital Projects Awards*, N.Y. HOMES & COMMUNITY RENEWAL, <http://nysdher.gov/Funding/Awards/UnifiedFunding/2010CapitalProjectAwards/> (last visited Nov. 24, 2011). The HCR lists weaker market projects as producing a minimum syndicate finance contribution of \$.77 on the dollar, and the stronger markets producing a minimum contribution of \$.88 on the dollar.

<sup>30</sup> Pennsylvania is a good example of a state that has prioritized preservation. With a fifteen percent set aside for preservation, Pennsylvania renovated 8,424 units between 2003 and 2009 using 9 percent LIHTCs, whereas New York only did 4,182. Over the same period, New York State renovated more properties, but fewer units, than Pennsylvania. See *2011 State-by-State Summary Affordable Housing Preservation Initiatives*, NATIONAL HOUSING TRUST (Mar. 2011), [http://www.nhtinc.org/downloads/state\\_preservation\\_scan\\_summary\\_table\\_march\\_2011.pdf](http://www.nhtinc.org/downloads/state_preservation_scan_summary_table_march_2011.pdf).

<sup>31</sup> QAP § 2040.3(f)(15)(i)(ii).

<sup>32</sup> Where projects use green techniques that will lower maintenance and replacement costs, **reduce the maintenance requirement** accordingly. By scheduling operating and replacement reserves into affordable housing projects, there is a burden created that market rate housing does not have. A metal roof on a property may have a longer life and require less maintenance than a conventional shingle roof. The cost savings of the roof may not be reflected accordingly, however, in the future maintenance requirements of the building.

<sup>33</sup> *Qualified Allocation Plan (QAP)*, § 2040.3(f)(1)(ii), DIVISION OF HOUSING & COMMUNITY RENEWAL (last updated Apr. 5, 2010), <http://www.nysdher.org/Publications/QAP/QAP.pdf>.

<sup>34</sup> QAP § 2040.3(f)(1)(iii).

<sup>35</sup> NYS HCR & NYS HTFC Design Handbook § 4.02.01(D), Accessibility, Visitability.

<sup>36</sup> NYS HCR & NYS HTFC Design Handbook § 4.03.03(4) Dwelling Unit Space

<sup>37</sup> “A **dwelling unit** is defined as the private space provided for the exclusive rights of a tenant or homeowner consisting of a bathroom, kitchen (kitchenette), bedroom/living/dining room area.” NYS HCR & NYS HTFC Design Handbook § 4.03.03 (2011).

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