



NEW YORK STATE SENATOR

Eric T. Schneiderman

Senate Majority Bolsters Support for New York City Public Housing

ERIC T. SCHNEIDERMAN February 24, 2010

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(Albany, NY) To protect New York's 400,000 residents of public housing, the Senate Majority today passed S6430A (Squadron) making the New York City Housing Authority (NYCHA) eligible for an immediate infusion of \$400 million in capital funding. Under the legislation, New York City's deficit plagued housing authority will also be able to draw \$75 million annually in federal funds for perpetuity. "This bill will allow New York City's public housing authority to bring in more than \$75 million a year in federal aid -- a massive investment to address its operating deficit and dramatically improve housing for more than 400,000 tenants," said Senator Daniel Squadron (D-Brooklyn/Manhattan). "Every single NYCHA resident will benefit from filling the funding gap left by the State and City, which will help us fix broken elevators, avoid heat outages, and address the basic maintenance problems that public housing tenants contend with every day. I would like to thank Assembly Housing Chair Vito Lopez, NYCHA Chairman John Rhea, Democratic Conference Leader John Sampson and Senate Finance Committee Chairman Carl Kruger, without whom this bill could never have become a reality."

For over a decade, more than 20,000 units in 21 NYCHA developments have received no funding from the City and State of New York. As a result, NYCHA has been forced to use federal funding intended for its other units to subsidize these developments, contributing to NYCHA's more than \$80 million a year annual operating deficit.

This bill requires NYCHA to transfer the developments through sale or lease to two nonprofit entities, making them eligible for a one-time federal funding opportunity under the American Recovery and Reinvestment Act (ARRA). The purpose of the funding is to rehabilitate the developments for low income families.

The housing units will not be privatized under the legislation. They will remain public housing units with all tenants and developments retaining the current public housing protections. Additionally, all rules and regulations applicable to federal public housing projects continuing to apply after the sale or lease of the developments.

Senator Carl Kruger, Chairman of the Senate Finance Committee said, "This legislation makes possible a groundbreaking and creative solution to the NYCHA's dire financial difficulties and will assure solvency for a system that so many New Yorkers rely on as their only possible source of affordable housing. Finding a way to improve day-to-day living conditions for at these housing complexes, which is an important goal of this legislation, helps to fulfill our State's mandate to advocate and provide for our most vulnerable residents. Many thanks to Assemblyman Vito Lopez for introducing this urgently needed measure."

Senator Toby Ann Stavisky (D-Queens) said, "We must resolve this situation where thousands of housing units are not covered by federal subsidies and NYCHA is forced to draw from federal and state monies to address the gap. The situation means that NYCHA's resources are stretched ever thinner as they try to house some of New York's most vulnerable residents. This legislation would make the state eligible for new federal funds each year, which benefits the 400,000 residents of public housing."

Senator Liz Krueger (D-Manhattan), Vice Chair of the Senate Finance Committee said, "There is no question that this is a great bill for public housing in New York. While New York City has one of the best public housing systems in the country, NYCHA has been underfunded by all levels of government for decades. By allowing NYCHA to "federalize" its city and state built developments there will be an immediate windfall of hundreds of millions of dollars for the cash strapped agency to make desperately needed building repairs, and just as importantly, approximately \$75 million of additional subsidy dollars each year from the federal government to cover operating expenses. I can't see one reason to oppose this bill."

Senator Thomas K. Duane (D, WFP-Manhattan) said, "Federalization of NYCHA's City- and State-owned developments, which include Chelsea Houses, Amsterdam Addition and 344 East 28th Street in my district, is a dynamic and complex solution to a problem that has gone unresolved for far too long. This creative initiative, made possible by the American Recovery and Reinvestment Act, will eliminate a large portion of NYCHA's annual budget gap and enable the authority to preserve programs and services that are essential for the well-being of its residents."

Senator Eric Schneiderman (D-Manhattan/Bronx) said, "This legislation is a win-win for New York State taxpayers and New York City tenants. It is a real step forward in the fight to preserve affordable housing for low-income residents of the city."

Senate Majority Conference Leader John L. Sampson said, "For years, public housing was dangerously underfunded, risking the lives of thousands of New York families. Today's action means families struggling with the fiscal crisis will get the safe and affordable housing they need to survive. The Senate Majority will continue to invest in the development and preservation of affordable housing to prevent houses from crumbling and families from collapsing during these difficult times."

Senate President Pro Tempore Malcolm A. Smith said, "More than 400,000 residents of NYCHA would benefit immensely from this legislation and the funding it will provide. This funding will improve the condition of the aging buildings, making sure residents have heat, elevators are maintained properly and front doors are adequately secure. I commend Senator Squadron on his commitment for safe public

housing for all New Yorkers.”

Senate Majority Leader Pedro Espada, Jr. (D-Bronx), Chairman of the Committee on Housing, Construction and Community Development said, “NYCHA historically has been the backbone of affordable housing for tens of thousands of low-income, working families. These millions of Federal dollars in capital and operational funds will significantly improve the quality of life for these 20,000 households through sorely needed modernization of kitchens and bathrooms and upgrades and repairs to building lobbies, elevators, roofs, boilers and other parts of the aging infrastructure. In addition, these Federal funds will serve as an infusion to the city’s economy by creating business for small contracting companies and new jobs for local residents. These Federal funds also eliminate the state’s burden to fund NYCHA’s capital and operational projects.”

NYCHA Developments Included in the Bill:

Marlboro Houses, Chelsea Houses, Castle Hill Houses, 344 East 28th Street, Amsterdam Addition, Bushwick Houses, Stephen Wise Towers, Arthur H. Murphy Houses, Baychester Houses, Jonathan Williams Plaza, Drew-Hamilton Houses, Independence Towers, Rutgers Houses, Stapleton Houses, and Manhattanville Houses.