

NEW YORK HOUSING CONFERENCE

NYS Joint Legislative Hearing on Housing Testimony for Rachel Fee, New York Housing Conference January 24, 2018

My name is Rachel Fee. I am Executive Director of the New York Housing Conference (NYHC). I would like to thank the Committee Chairs Cymbrowitz & Little, and other Committee Members, for the opportunity to comment on the 2019 Budget.

NYHC is a nonprofit affordable housing policy and advocacy organization. As a broad-based coalition, our mission is to advance City, State and Federal policies and funding to support the development and preservation of decent and affordable housing for *all* New Yorkers.

Last year's allocation of more than \$2.5 billion in the 2018 budget has enabled NYS Homes and Community Renewal to begin implementation of a 100,000 units, 5 year housing plan. We thank the NYS Legislature for funding this broad-reaching statewide affordable housing initiative that will improve the lives of New Yorkers and address housing needs across the state in a public-private partnership model that will create jobs and benefit communities.

With the growing need for affordable housing and uncertainty regarding federal resources, maintaining State funding is critical. Right now, more than half of New York renters devote more than 30% of their income to housing and nearly 1 million families are severely rent burdened, paying more than 50% of their monthly income on housing across the state. Affordable housing is also critical to addressing our homeless crisis- nearly 90,000 New Yorkers will sleep in shelters across the State, including almost 30,000 children. For public housing, insufficient funding is impacting the quality of life of residents every day. The New York Housing Authority capital backlog is now estimated at \$25 billion according to the Citizen's Budget Commission. To this end, we are pleased that Governor Cuomo's budget proposal continues support for

statewide affordable housing plan, creating new opportunities for construction and preservation of affordable housing for families in the budget, but we need to do more.

We urge the committee to also consider additional priorities that are not fully met in the housing plan:

- **Preserve Public Housing-** We call for ongoing annual capital funding of at least \$250 million for the New York City Housing Authority for investment in preserving public housing. Maintaining public housing, a critical component of New York City's affordable housing stock, is a responsibility New York State must share with New York City as federal funding is not sufficient.
- **Establish New Senior Service Coordinator Funding-** Appropriate \$10 million for the Resident Service Coordinator Program, to enhance service coordination in existing and new senior housing that includes an array of services that assist residents to remain independent by emphasizing wellness and healthy aging.

Do more to promote housing opportunity to further fair housing goals:

- **Support a Statewide Source of Income Discrimination Protection Amendment-** Support an amendment to the New York State Human Rights Law to expand the protected classes to include lawful sources of income, such as wages, salaries and federal, state and local, corporate and nonprofit assistance payments or subsidies. This amendment would extend housing discrimination protections to individuals utilizing Housing Choice Vouchers, Social Security, SSI and unemployment insurance, alimony, veteran's benefits and the like to cover housing costs.

Allow for greater density:

- **Lift State Cap on Residential Development-** New York State Law currently does not allow residential floor area on any site in the state to exceed 12 times the lot area. This is despite the fact that in New York City new commercial buildings and residential development in converted office buildings is often twice this density or more. This restriction keeps New York City from growing its housing stock in denser areas near transit and amenities.

Adapt to changes in federal tax code:

- **Bifurcate State Low Income Housing Credit (SLIHC) to Increase Investor Pool and Raise Pricing**

SLIHC is an important program in NY leveraging private investment to build affordable housing. With recent changes in the federal corporate tax rate, now is the time to separate these state credits from the federal credits to broaden the investor pool and ultimately make pricing more competitive and bring more private investment into affordable housing projects.

Exclude affordable housing from deferred credits:

- **We recommend excluding credits used for affordable housing projects from the Governor's budget proposal to defer certain credits including the State Low-Income Housing Credit, Brownfields and the Historic credit.** Long term or repeated deferments can negatively impact pricing which would be especially damaging to SLIHC if credit deferment is repeated again in the near future. Deferment of Brownfields and Historic credits are problematic when used as permanent sources of financing. We recommend that used in affordable housing projects should be excluded from deferment.

Support homeownership:

- **Enact Community Land Trust (CLT) Tax Exemption on CLT Land and Assessment Caps for Permanently Affordable Housing-** Existing tax exemptions, abatements, and assessment practices are insufficient to ensure the long-term and permanent affordability of housing on Community Land Trusts throughout the State. The establishment of a tax-exemption for land owned by CLTs that maintain 99-year ground leases with permanent affordability restrictions is vital. The State must also direct tax-assessors to limit the taxable values of homes with restricted resale values to ensure affordability is maintained in accordance with the deed restrictions and ground leases.
- **Increase Affordable Housing Corporation (AHC) Funding and Per Unit Allocations for Permanently Affordable Homeownership Projects in High Cost Communities-** Funding levels for rental housing has vastly

outpaced homeownership programs, leading to very limited resources for Habitat and other home builders at the City and State levels. In fact, allocations to build homeownership units have not significantly increased since AHC's establishment in 1985, despite dramatic increases in the cost of construction over the past 30 years. NYHC will support legislation that will: increase per unit allocation for homeownership projects in high cost communities and mandate that projects accessing increased funds require permanent affordability restrictions, ensuring anyone who wants to sell their home in the future must sell to another low-income family.

Thank you for this opportunity to testify.