



**Testimony of Benjamin Dulchin
before the Joint Legislative Public Hearing on 2017-2018 Executive Budget Proposal**

Topic: Housing

February 17, 2017

Good Morning. My name is Benjamin Dulchin, and I am the Executive Director of the Association for Neighborhood and Housing Development. I would like to thank the Committee Chairs Young, Farrell, Little and Cymbrowitz as well as the other members of the Legislature for the opportunity to comment on the 2018 Budget.

ANHD is a membership organization of NYC- neighborhood based housing and economic development groups- CDCs, affordable housing developers, supportive housing providers, community organizers, and economic development service providers. Our mission is to ensure flourishing neighborhoods and decent, affordable housing for all New Yorkers. We have over 100 members throughout the five boroughs who have developed over 100,000 units of affordable housing in the past 30 years, and directly operate over 30,000 units.

I won't take up your time this morning reciting the litany of data that makes clear what every New Yorker knows, and that most residents actively struggle with every day: Rents are rising while incomes for most New Yorkers are holding even at best, and the number of housing cost-burdened residents in New York continues to rise. Despite the growth in the state's real estate market, too many people are still struggling to pay for housing or left homeless.

The Legislature in New York State has consistently supported affordable housing activities and must continue to expand those activities to increase housing opportunities for families across the State. Each unit preserved, each new homeowner, and each new housing development is an opportunity, to not only create affordable housing, but to reinvest in a neighborhood and its community.



ANHD is in general support of the housing priorities laid out in Governor Cuomo’s budget address and his approach to a five-year housing plan. Given the urgency of the need, it is essential that the budget resources necessary to fulfill that plan be allocated, including the \$2 billion of re-appropriated funds that was allocated in the 2017 budget.

ANHD’s member organizations are deeply concerned that allocation of these essential funds has, to our understanding, been held up by unrelated issues. We urge the Legislature and the Governor to come to a swift agreement on an MOU for the housing plan by the April 1st deadline so that affordable housing developers can have the financing resources and programmatic certainty that we need to build the affordable housing that New Yorkers so desperately need.

We strongly urge lawmakers to separate the need for a swift agreement on affordable housing appropriations from the ongoing discussion of whether or not the 421a Real Estate Tax Exemption should be revived. The appropriations issue is crystal clear and should easily have support among all the key parties, while the 421a issue is more complex and divisive, and could make coming to an agreement on the MOU more difficult.

Furthermore, there is little or no programic reason to link those two issues. The 421a Exemption is not, fundamentally, an affordable housing tax exemption. It is an exemption intended to incentivize market-rate housing, and should be considered on those terms. Out of every dollar spent on the 421a exemption, only 11 cents goes toward the minimum number of affordable units. And, as we saw last month when New York City announced that in 2016 it had produced a record number of affordable units to fulfill the goals of the Mayor’s housing plan, it did so without making any use of the 421a Exemption, which had expired 12 months earlier. This is because the City has other purpose-built affordable housing tax exemptions, including the 420c and Article XI exemption, that largely fill the need.

ANHD is a member of the New York State Housing Conference, and we support the budget priorities laid out by the Housing Conference:

- We support the Governor’s \$950 million allocation in the housing plan for supportive housing- a cost-effective solution to homelessness. Affordable housing is critical to addressing our homeless crisis- more than 80,000 New Yorkers will sleep in shelters across the State, including 24,000 children. New York State has the 2nd highest rate of homelessness in the nation. Homelessness is at its root a housing problem – there is simply not enough affordable housing for extremely low income households.
- We recommend that NY State establish and fund Home Stability Support (HSS)- a new statewide rent supplement for families and individuals, who are eligible for public assistance benefits and facing eviction, homelessness, or loss of housing due to domestic violence or hazardous living conditions. We urge New York State to take aggressive steps to reduce homelessness and provide lasting solutions.
- We support the creation of a new statewide affordable senior housing program funded in the Governor’s budget.
- We support the Governor’s commitment of \$100 million to NYCHA. Given the significant capital backlog of \$17 billion, we strongly urge funding the New York City Housing Authority at no less than \$100 million annually, in a 5-year commitment to improve conditions for 400,000 residents. Additional funds may be dedicated to statewide housing needs from the \$1.7 billion in unallocated settlement funds to ensure sufficient capital is available to achieve the Governor’s affordable housing plan goals while also ensuring safe, decent and healthy living conditions for NYCHA residents.
- Preservation of existing multifamily housing through extended affordability, small building redevelopment and preservation of Mitchell Lama Housing are also important programs for New York State. We support the funding levels indicated in the Governor’s budgets.

- We also support the Executive budget's homeownership funding level. In addition, we advocate for continued support for foreclosure prevention program, which are not included in the Governor's budget proposal.

- We support reforming the mansion tax to ensure dedicated funding for affordable housing programs. Reforms should be targeted towards high-end luxury sales, especially for non-primary residences. This new revenue can safeguard against anticipated federal cuts to housing programs.

The five-year-plan outlined in Governor Cuomo's budget proposal is a solid and well-structured commitment to addressing the essential affordable housing needs of New York State. We recommend that the Legislature adopt these priorities, and allocated the necessary funding quickly and expeditiously.



THE AMI CHEAT SHEET [2015]

www.anhd.org
@anhdnyc

	Extremely Low Income (ELI)		Very Low Income (VLI)		Low Income (LI)		Moderate Income (Mod)			Middle Income (Mid)			High Income†				
	28.0% of NYC		14.9% of NYC		16.9% of NYC		15.5% of NYC			9.2% of NYC			15.5% of NYC				
AMI (Area Median Income)	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%	160%	170%+
Monthly Rents* (Approximate 2 Bedroom)	\$220	\$400	\$650	\$860	\$1100	\$1300	\$1500	\$1700	\$1900	\$2200	\$2400	\$2600	\$2800	\$3000	\$3200	\$3500	\$3700+
Household Income* (2-4 person household)	\$8.6k	\$17.3k	\$30k	\$35k	\$43k	\$52k	\$60k	\$69k	\$78k	\$86k	\$95k	\$104k	\$112k	\$121k	\$129k	\$138k	\$148k+
NYC Population** (Percentage in 2014)	8.91%	10.13%	8.95%	7.79%	7.07%	6.17%	5.87%	4.93%	4.61%	3.78%	3.78%	3.31%	2.65%	2.65%	2.2%	1.7%	15.5%

† High income is not an actual affordable housing category and is used here simply for labeling purposes.
 ** Household incomes are calculated from the Department of Housing and Urban Development (HUD) calculation of the 2015 Area Median Income (AMI) of the New York City region using a 4 person household size and 100% AMI as the base. Rents are calculated as what is affordable to the corresponding income as 30% of monthly income.
 *** Share of New York City Population is calculated using the 2014 American Community Survey Table B19001 and prorated to correspond to the appropriate AMI income band.
 ANHD's AMI Cheat Sheet is a general guide. It does not report exact rents, household income and share of NYC population for any NYC region AMI level. Actual numbers may vary and should be looked up using NYC's Department of Housing Preservation Development resource tool at <http://www1.nyc.gov/assets/development/downloads/pdf/NSP-tenant-lease-guidelines.pdf>

