

# NEW YORK HOUSING CONFERENCE

**Testimony for Rachel Fee, New York Housing Conference  
Joint Legislative Public Hearing on 2017-2018 Executive Budget Proposal: Topic Housing  
February 17, 2017**

My name is Rachel Fee. I am Executive Director of the New York Housing Conference (NYHC). 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.

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.

New York Housing Conference is generally supportive of the housing priorities outlined in Governor Cuomo's budget to address statewide housing needs in a 5-year affordable housing plan, including \$2 billion of re-appropriated funds. Almost a year has passed since \$2 billion was enacted in the 2017 budget. We estimate that about 10,000 affordable housing units could have been financed during this time period. Given the severity of our affordable housing crisis, we have been deeply disappointed with each passing day that leaders of the legislature and the Governor failed to come to an agreement on a housing plan MOU. We hope that productive negotiations will take place in advance of the April 1 budget deadline to provide New York State's affordable housing community with some certainty regarding the availability of funds and programmatic priorities to ensure an adequate development pipeline is available to meet New Yorkers dire need for affordable housing. We also urge lawmakers to separate affordable housing appropriations discussions from the 421a tax abatement program in order to avoid any possible further delays of appropriations, which will only exacerbate our affordable housing crisis.

The NYS Legislature has an opportunity to fund an impactful statewide affordable housing initiative that will improve the lives of New Yorkers and address housing needs across the state. New construction, supportive housing, senior housing and middle income housing will provide families with new affordable housing opportunities while often creating vibrant mixed-income and mixed-use buildings. Preservation of public housing, Mitchell Lamas and small buildings will revitalize important community assets. Supporting homeownership is also key to building strong neighborhoods. These programs will address important housing issues in each of your districts and the Governor's Executive Budget will provide opportunities to fund a wide array of projects in a public-private partnership model that will create jobs and benefit communities.

Right now, more than half of New York renters devote more than 30% of their income to housing and more than 1.5 million families are severely rent burdened, paying more than 50% of their monthly income on housing across the state. Severely rent-burdened families, struggling from month to month, are often sacrificing other necessities such as food or medicine to keep a roof over their heads. In New York City, median rent continues to grow faster than household income. Between 2005 and 2014, median gross rent increased by a total of 14.7% citywide, while the typical renter household's income increased by just 1.7%. The emergency level vacancy rate persists at 3.45%, ensuring a fiercely competitive rental market. Affordable housing is critical not only to these families in need but also to maintaining a competitive economy by providing workforce housing in high-cost markets. To this end, we are pleased that the Governor's budget creates new opportunities for construction and preservation of affordable housing for families.

Affordable housing is also 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 support the Governor's \$950 million allocation in the housing plan for supportive housing- a cost-effective solution to homelessness. In addition, 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.

Housing affordability is not just a problem for families seeking emergency shelter. It is pervasive at all income levels and across demographics.

For example, housing affordability is a growing problem for our aging population as indicated by more than 200,000 seniors waiting an average of 7 years for 202 elderly housing according to a 2016 LiveOn NY report. By 2040, we will see a 40% increase in elderly New York City households, rising to 1.4 million seniors. New Yorkers' average life expectancy is at a record high of 80.6 years. One in five seniors lives below the poverty line. For single elderly households, 65% pay more than half of their income on rent, even in rent-stabilized apartments. NY State must prepare for our aging population who are expected to live longer and have less savings than in the past. We are extremely supportive of the creation of a new statewide affordable senior housing program funded in the Governor's budget. In addition to the capital allocation in the Executive budget, we recommend that \$10 million should be dedicated to fund a Resident Service Coordinator Program to ensure adequate and appropriate staffing for senior housing.

Another top housing priority for our state is the preservation of public housing. Our public housing stock is deteriorating and in dire need of capital investment. New York Housing Conference supports the funding proposed for housing authorities outside of New York City to avail of HUD's Rental Assistance Demonstration in the Executive Budget. The Governor has also committed \$100 million to NYCHA. This amount is sufficient for an annual commitment. 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.

Additionally, NYHC recommends 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.

Overall, Governor Cuomo's budget provides a solid framework for investment in affordable housing across the state with a strategic vision to tackle a variety of important housing needs by using State funding to leverage additional public and private funding to build and preserve affordable housing. Today, I have offered recommendations for important additions to this plan that will better position the State to tackle homelessness, plan for our growing senior population, preserve valued public housing, assist homeowners facing foreclosure and prepare for potential federal cuts. I hope the Assembly and Senate will consider adopting these policy priorities in the 2018 budget.

Thank you for this opportunity to testify.