



**NYS Joint Legislative Hearing on Housing
Testimony for Rachel Fee, New York Housing Conference
February 4th, 2019**

My name is Rachel Fee. I am Executive Director of the New York Housing Conference (NYHC). I would like to thank the Committee Chairs and other members of the Legislature here today, for the opportunity to comment.

NYHC is a statewide, 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.

The Governor's budget proposal reappropriates \$2.9 billion and adds some new capital for continued support of the statewide, 5-year housing plan to preserve and produce 110,000 units of affordable housing. NYS Homes and Community Renewal has stepped up to the challenge of implementing this plan, addressing a wide variety of housing needs across the state. We thank the Legislature for being true partners in planning and financing the housing plan, now in its third year, which is making a difference to low-income families in New York.

Presently, there are no State-mandated prevailing wage requirements applying to this housing plan. Governor Cuomo has stated support for prevailing wage requirements for project construction with subsidies. According Independent Budget Office analysis published in 2016, prevailing wages may increase construction costs by 23%. This means that either fewer affordable units will be produced within the existing budget or additional subsidy will be required to achieve promised production

targets. A new statewide requirement could also impact New York City's Housing New York Plan, which produced more than 10,000 new construction units and preserved more than 24,000 existing units of affordable housing this past year.

In addition, the Executive Budget calls for reforms of the rent laws. New York Housing Conference supports the Governor's approach of policy improvements that will protect rents and curb displacement, while also recognizing the need to ensure continued investment by owners in rent stabilized buildings.

We commend the Governor for a series of thoughtful recommendations aimed at helping renters achieve success in the private market as well as new regulations related to lead paint hazards. As members of the #BanIncomeBiasNY Campaign, we proudly supports the Governor's proposal to amend the Human Rights Law to add lawful source of income as a protected class and to prohibit housing discrimination on the basis of lawful source of income.

While many of the policy proposals suggested in the Executive Budget will expand housing options and bolster the impact of the statewide affordable housing plan, the need for affordable housing remains great.

- More than *half* of New York renters devote more than 30% of their income to housing.
- Nearly 1 million families are severely rent burdened, paying more than 50% towards rent
- More than 90,000 New Yorkers are homeless across the State.
- Insufficient funding of public housing has led to deteriorating building conditions impacting the lives of residents of the New York City Housing Authority (NYHCA) as well as for smaller public housing authorities (PHAs) in other parts of the state.

New York Housing Conference recommends the following budget and policy recommendations to improve upon existing programs and address urgent housing needs:

1) Public Housing

Last week NYCHA and HUD announced a new agreement for a monitor. Given the urgency of repairs needed in NYCHA's vast portfolio, it is critical that \$450 million in funds appropriated in fiscal year 2018 and 2019 are immediately deployed. This funding, which was held up this past year in expectation of a monitor agreement, should be swiftly released to address critical capital needs, especially related to heat and hot water.

We also recommend that the State work with the City of New York in a shared long-term capital commitment to meet the \$8 billion funding gap identified in the NYCHA 2.0 Plan which raises \$24 billion towards the \$32 billion total capital needs. We recommend that \$500 million in capital funding is allocated to NYCHA this year in the State budget. We are seeking a matching commitment from New York City. We also recommend identifying a dedicated revenue source to fund a long-term plan. This could be achieved by reforming the coop/condo abatement set to expire in June, by eliminating tax breaks for luxury homeowners, while maintaining the benefit for the middle class.

For public housing outside of New York City, we recommend an additional \$125 million to allow PHAs to leverage the RAD program now that the federal cap is statutorily increased to 455,000 units. We recommend appropriating \$20 million for capital needs for PHAs not utilizing RAD.

2) Senior Housing

We recommend \$10 million should be added to the budget to fund a Resident Service Coordinator Program needed to complement the capital funding.

3) Support Housing

While this is not in the HCR budget, we advocate for \$64 million in HHAP funds be appropriated to be used for projects in HCR's Empire State Supportive Housing Initiative (ESSHI) pipeline.

4) Home Ownership

I would also like to note the State's important role in foreclosure prevention and creating affordable homeownership opportunities. Foreclosure counseling has been an effective tool in keeping homeowners in their homes and it is important that funding continues to provide support to counseling agencies. We ask that the State appropriate \$20 million in funding for Communities First Foreclosure Prevention Program. We also advocate for expanding homeownership programs like AHC with increased funding and updated terms.

5) Neighborhood and Community Needs

We recommend an increase to the funding of the Neighborhood and Rural Preservation program by \$10 million to fully fund existing Neighborhood and Rural Preservation corporations and expand the program in currently unserved areas.

Lastly, we have so much at stake in the 2020 Census. We ask the State Legislature to allocate \$40 million for community-based groups to do the necessary outreach and education on Census participation, especially in the hardest-to-count areas of New York.

Data from the 2020 Census will decide how much federal funding New Yorkers will receive for the next decade. Federal funding is essential to develop, rehab and operate affordable housing in New York. Moreover, an accurate count is critical to support New York's economy, housing, jobs, schools, medical services, infrastructure, political power, and the quality of life for everyone.

Thank you for this opportunity to provide input in New York State Budget.