

2021: NEW YORK'S AFFORDABLE HOUSING CRISIS AND FEDERAL SOLUTIONS

The public health and economic crises caused by COVID-19 have significantly worsened New York's affordable housing crisis, but they have also created an opportunity to provide the resources needed for real change. Investment in housing- including establishing a housing safety net by providing Section 8 Housing Choice Vouchers to all eligible households; preserving public and HUD-assisted housing; and expanding affordable housing supply- will help New York and the nation recover from COVID-19 and address the root of long-standing housing inequalities. The upcoming infrastructure bill and budget process are our next chance to make New York a more affordable place to live.

COVID'S IMPACT ON RENTERS

New York has received **\$2.3 billion** in **Emergency Rental Assistance**. This aid will provide necessary relief for the **1.1 million renter households who are at risk of eviction and owed as much as \$2 billion in rent** at the end of January¹

ESTABLISH A FEDERAL HOUSING SAFETY NET

The consequences of housing instability severely impact families and children who experience eviction, homelessness and high rent burdens. **The cycle of intergenerational poverty cannot be broken without first building a housing safety net.**

Across New York State:

- 91,271 people experience homelessness^{II}
- 143,500 public school children live in unstable housing^{IV}
- Half of renters are cost burdened^V

Federal rental assistance tangibly improves the lives of families and individuals across New York, yet 75% of those eligible are not being served. HUD rental assistance offers housing choice and brings stability to 509,691 individuals in households utilizing 268,037 Housing Choice Vouchers.^{II}

We support President Biden's campaign promise for Universal Rental Assistance to all eligible families. Additionally, Section 8 funding must be moved to the mandatory side of the budget so it can serve as a true housing safety net for the country.

UNIVERSAL RENTAL ASSISTANCE

Universal rental assistance would alleviate severe rent burdens for low-income households and lift nearly 25% of households out of poverty^{VI}.

• **2,681,277**

New Yorkers live in poverty^{VII}

• **903,328**

low-income households pay more than 50% of their income on rent^{VIII}.

¹ Low-income households are households with incomes that are less than 80% of the HUD Area Median Income (HAMFI), very low-income households are less than 50% HAMFI and ELI households are less than 30% HAMFI

² Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). Households are considered burdened if housing costs exceed 30% of household income and severely burdened if they exceed 50% of household income.

PRESERVE PUBLIC HOUSING & HUD-ASSISTED HOUSING

HUD programs, including Section 8, subsidize 594,253 units in New York, making them affordable to renters^{ix}. Many of the HUD-financed programs were effective in building housing decades ago. While operating funds and rental assistance for privately owned buildings have been sufficient to ensure ongoing maintenance and investment in building systems, public housing has been severely shortchanged, with deferred maintenance and insufficient capital funding leading to substandard living conditions.

According to HUD data, 377,694 individuals live in public housing throughout the state. New York City Housing Authority (NYCHA), the greatest source of permanently affordable housing in the country, serves 356,506 residents with \$40B in outstanding capital needs^x.

Increased HUD funding would ensure preservation of existing affordable housing. We support President Biden's call for \$5 billion in HOME and \$10 billion for Community Development Block Grant (CDBG) funding. We also support the Public Housing Emergency Response Act, introduced by Congresswoman Nydia Velazquez, which would allocate \$70 billion to HUD's Public Housing Capital Fund, and ensure \$32 billion goes to NYCHA.

EXPAND AFFORDABLE HOUSING SUPPLY

New York has a severe shortage of affordable housing: we are 647,914 units short for very low- and extremely low-income renters, per the latest estimates^{xi}. LIHTC has been an effective tool and economic driver, helping to build and preserve affordable housing for low-income households. Since 1986, the program has:

- Preserved or developed 223,697 homes
- Served over 500,000 low-income households
- Generated \$13.6 billion in tax revenue and \$39.3 billion in wages and business income.
- Supported 350,000 jobs annually^{xii}

Expansion of the Low Income Housing Tax Credit, as proposed in the Affordable Housing Credit Improvement Act, would facilitate the production of 119,900 affordable units in New York alone over the next 10 years^{xiii}. The Save Federally Assisted Housing Act would also spur affordable housing production across the state relaxing private activity bond caps for federally-assisted buildings. Housing credits can be paired with capital programs to meet the country's significant affordable housing needs. Expanding the National Housing Trust Fund (HTF) would ensure deep affordability for the lowest income households where the need is most urgent. We support an expansion of the HTF to \$40 billion annually.

ⁱ New York Housing Conference, "Key Issues for NY State's Emergency Rental Assistance Program"

ⁱⁱ HUD Picture of Subsidized Households

ⁱⁱⁱ HUD Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations Report

^{iv} Advocates for Children of New York, Dec 2020

^v HUD CHAS Data

^{vi} Center on Poverty and Social Policy at Columbia University, *Housing Vouchers and Tax Credits*, Oct. 2020.

^{vii} US Census Bureau, American Community Survey

^{viii} NLIHC, Congressional District Housing Profiles

^{ix} HUD Picture of Subsidized Households

^x NYCHA Resident Data Book, 2020.

^{xi} NLIHC, *The Gap: A Shortage of Available Homes*, 2021.

^{xii} A Call To Invest In Our Neighborhoods (ACTION) Campaign State and District Fact Sheet.

^{xiii} Wallace, Dirk & Lawrence, Peter. N 2021 AHCA Could Finance More Than 2 Million Additional Affordable Rental Homes Over 10 Years, Novogradac