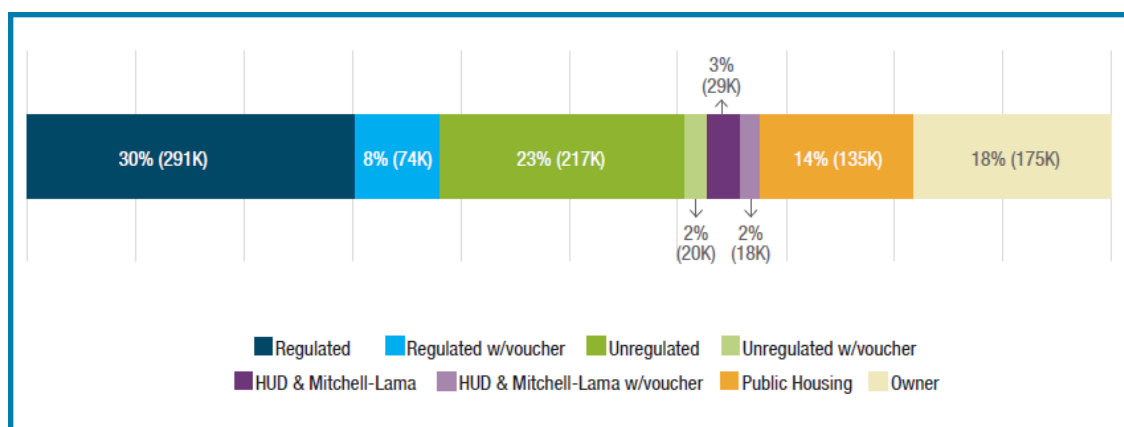


Thank you for the opportunity to offer comments on the 2020-2021 Executive Budget Proposal as it relates to housing. My name is Oksana Mironova and I am a Housing Policy Analyst at The Community Service Society (CSS), an independent nonprofit organization that addresses some of the most urgent problems facing low-income New Yorkers and their communities, including the effects of the city's housing affordability crisis. New York City has always been known as a chronically tight, high-cost rental market. In recent decades, housing that is affordable to low-income New Yorkers has become more elusive and homelessness has skyrocketed. The city's low-income population has remained fairly stable since 2000, with about a million households living below twice the federal poverty level. Yet the number of homeless families in shelters has tripled. There are approximately 960,000 low-income households in New York City, who live in a range of housing types, as illustrated in the graph below. The State's 2020-2021 Budget has strong implications for all these housing types.



Rent Regulation

In New York City, 365,000 low-income households live in rent regulated apartments, twice the number in public and subsidized housing combined. All regulated tenants depend on the New York State Homes and Community Renewal's (HCR) Office of Rent Administration (ORA) for strong and consistent enforcement.

The historic Housing Stability and Tenant Protection Act of 2019 (HSTPA) only increases the need for strong enforcement. The new rent laws will depend on ORA's ability to monitor and regulate vacancy rents, which will no longer be subject to vacancy bonuses. ORA will also have an increased responsibility over monitoring and auditing Individual Apartment Improvement and Major Capital Improvement increases over very long-term timelines. Further, with the removal of geographic restrictions, the rent laws may eventually cover an increased number of units dispersed across New York State.

ORA has had some successes with proactive rent law enforcement. For example, since its creation in 2012, the Tenant Protection Unit (TPU) has effectively detected fraud and harassment through audits, investigations, and legal action. TPU has re-registered close to 80,000 apartments that disappeared from HCR's rent registration logs, conducted Individual Apartment Improvement Audits (IAI), and reached major settlements with landlords that engaged in systemic tenant harassment.

The previous year's budget included funding for 90+ new staff lines at HCR, though it is not clear whether existing vacancies continued to be filled as these new staff were hired. What is apparent is that the agency's workload has increased exponentially since the passage of HSTPA. That is why it is absolutely vital for HCR's budget, and ORA's in particular, to increase accordingly.

Rental Assistance

The major programs for creating new affordable housing today are capital subsidy programs that provide resources for constructing apartment buildings but not for heating, maintaining, and otherwise operating them. Capital subsidies can reduce rents only so much, and rent payments are still needed to cover the costs of operating the building. That is why existing programs are failing homeless people and those at risk of homelessness. Subsidies to lower rents below operating costs are the missing ingredient in today's housing programs, and rental assistance programs, like the federal Section 8 program, fill that gap.

There are two bills in the legislature that would establish a state rental assistance program, both of which CSS supports: The Housing Access Voucher program (S07628/A9657) and the Home Stability Support program (S2375/A1620). Both direct rental assistance to the people who need it most and provide mandated relief to local governments that are struggling with limited resources. Both address homelessness by doing what most present-day housing programs do not do – enable people with incomes near or below the poverty line to afford rent.

We support End Income Bias NY Coalition's budget request of a minimum of \$5 million toward the enforcement of the new source of income discrimination law. Similarly to rent regulation, rental assistance programs depend on strong enforcement.

Public Housing

Public housing is in dire crisis in New York State. The New York City Housing Authority (NYCHA) had a \$40 billion capital backlog. Smaller public housing authorities across the state are subject to less media coverage and do not make their capital needs public. However, authorities in cities like Rochester, Buffalo, Syracuse, and Albany likely have capital needs that parallel NYCHA's, given a similar history of federal, state, and local disinvestment. State funding is critically needed to improve resident living conditions. CSS recommends that the State allocate \$3 billion for public housing across New York State.

Solutions to the State's housing and homelessness crises will require substantial investment and a significant reorientation of the State's budget and tax policy. One potential place to start is to eliminate 421-a, also known as Affordable Housing New York, which cost the city \$1.6 billion in foregone tax revenue in 2019 and has shown, time and time again, to be extremely inefficient in supporting the State's housing affordability goals.

Thank you again for the opportunity to offer our comments. For more information or if you have any questions, please contact Oksana Mironova, CSS Housing Policy Analyst at 212-614-5412 or omironova@cssny.org.