

Joint Budget Hearing: Executive Budget and Social Services

Testimony of Amy Blumsack, Director of Organizing & Policy, Neighbors Together

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I would like to thank the Senate Finance Committee and Assembly Ways and Means Committee Chairs Krueger and Weinstein, Social Services Committee Chairs Persaud and Rosenthal, as well as the other committee members for the opportunity to submit testimony regarding the proposed executive budget and social services.

My name is Amy Blumsack, and I am the Director of Organizing & Policy at Neighbors Together, a community based organization located in central Brooklyn. Neighbors Together provides hot meals five days per week in our Community Café, offers a range of one-on-one stabilizing services in our Empowerment Program, and engages members in community organizing, policy advocacy and leadership development in our Community Action Program. We serve approximately 80,000 meals and 10,000 individuals per year.

Our members come to us from across the five boroughs of New York City, with the majority living in central Brooklyn. Nearly 57% of our members are homeless or unstably housed:

- 21% stay in shelters
- 19% live in three-quarter houses, which are essentially boarding houses that hold themselves out like licensed substance use treatment programs and rent beds out to single adults, often packing them in 4-8 people per room in bunk beds. These houses are unlicensed and unregulated by any government entity, and are known for forcing tenants to attend outpatient drug use treatment programs as a condition of maintaining their bed, while engaging in illegal Medicaid kickback schemes.
- 10% are doubled-up with relatives or friends
- 7% are living on the street

Additionally, another 36% rent apartments or rooms in privately owned homes, the majority of which are unregulated.

Increasingly over the last five years, our members report that homelessness and lack of affordable housing options are their primary concern, and one of the most significant issues facing their communities. Our data backs the anecdotal evidence we see and

hear from our members daily: an increasing number of our members are living in shelter or other unstable and unsafe housing conditions.

COVID has revealed the depths of housing inequity and instability in New York State, exacerbating economic struggles for millions of New Yorkers. According to the national research firm Stout, nearly 1.2 million households are behind on rent because of COVID-19, collectively owing an estimated \$2.2 billion.¹ Over 92,000 people were homeless before COVID, and the pandemic has made even more clear what we already knew: housing is healthcare. Homeless people in NYC shelters died from COVID at a rate that was 75% higher than the general population of the city,² congregate shelters are inherently unsafe, and homeless people can't simply "stay home." Unhoused people living on the streets lost access to many of the resources they relied on pre-pandemic for food, shelter, personal hygiene, and are being criminalized and targeted against CDC guidelines by street sweeps and the subway shutdown.

Prior to COVID, New York was already suffering from the consequences of short-sighted policy decisions and woefully inadequate investment by the Governor. Homelessness increased 36% during the first eight years of Governor Cuomo's tenure. And while many would like to misrepresent homelessness as a downstate or New York City problem, the fact is that homelessness has risen across New York State. According to the Upstate Downstate Housing Alliance's 2018 report, homelessness grew by 18% in Rochester; 20% on Long Island grew by 20%; 23% in Albany; and 31% in Binghamton.³ In October 2020, New York State hit the unfathomable new record of over 20,000 single adults sleeping in New York City Department of Homeless Services shelters each night.⁴

As the cost of living has increased, the shelter allowance has remained essentially flat over the last few decades, leaving more and more low income New Yorkers with either unsafe or unacceptable housing options. Current New York State voucher rates are below market rent, forcing people who need rental assistance to move to far flung areas away from their support systems, jobs, healthcare, and schools, while increasing their transportation costs. The few apartments they can access with their vouchers are kept in substandard conditions and are not maintained properly. Time and again we have seen people fall back into homelessness because although they may have been one of the lucky few to find housing with a voucher, their landlords ultimately decide to raise

¹ Stout, *Stout Estimation of Households Experiencing Rental Shortfall*, <https://www.ncsha.org/resource/stout-rental-and-eviction-live-data/>

² Coalition for the Homeless, *Age Adjusted Mortality Rate for Sheltered Homeless New Yorkers*, pg 1 <https://www.coalitionforthehomeless.org/age-adjusted-mortality-rate-for-sheltered-homeless-new-yorkers/>

³ Housing Justice for All, *Cuomo's Housing Crisis: Homelessness and Unaffordability in New York State*, <https://www.housingjusticeforall.org/reports>

⁴ City Limits, *Number of Single Adults in City's Shelter System Hits Record High*, <https://citylimits.org/2020/12/10/number-of-single-adults-in-citys-homeless-shelters-hits-record-high/>

their rents beyond the voucher amount. Additionally, most vouchers require that a person be eligible for public assistance, not make more than 250% of the federal poverty level, and expire after 5 years. This creates a lose-lose situation in which a person cannot increase their income enough to become self-sufficient without risking losing their housing. And for those people who's income stays low enough to retain their voucher, a steep fiscal cliff awaits; after their 5 years is up, they are back in the same situation of needing to pay market rate rents with no increase in income. The very design of the vouchers reinforce instability and return to homelessness.

To address the deep shortcomings of existing vouchers and assist homeless New Yorkers to access stable permanent housing, particularly during the public health crisis of COVID-19, the New York State legislature should pass and fully fund the Housing Access Voucher Program (S2804/A3701). The Housing Access Voucher Program is a statewide rental subsidy that mirrors Section 8. The voucher would be for low-income families and individuals facing eviction, people who are currently homeless, and those facing loss of housing due to domestic violence or hazardous living conditions. The Housing Access Voucher Program would pay 100% of fair market rent, and would be available to people on social security, public assistance, and other forms of fixed incomes, as well as undocumented New Yorkers. Voucher recipients would remain eligible until they earn enough income to pay their rent without being rent burdened (rent equal to or less than 30% of total income). Half of the vouchers would go to people who are currently homeless and the other half would be dedicated to people at risk of homelessness. The Housing Access Voucher Program will cost \$500 million in the first year, and state legislators should pass and fully fund it in this year's budget. Given the severe effects of COVID on people living in shelters, it is critical that the Housing Access Voucher Program be passed and fully funded immediately.

Another critical source of affordable housing in New York State is supportive housing. Supportive housing has been proven to be a successful and cost effective solution to move people from homelessness into stable permanent housing. Coalition for the Homeless estimates that almost half the single adults staying in New York City shelters have mental illness,⁵ many of whom would be eligible for supportive housing. However, the demand for supportive housing far outweighs the supply. At Neighbors Together we consistently have a waitlist of people who need assistance from our Supportive Housing Specialist to apply for and access supportive housing units. According to the Coalition for the Homeless' 2020 State of the Homeless report, for every one unit of supportive housing, there are five people with an approved supportive housing application seeking supportive housing.⁶ That statistic doesn't take into account the number of people who

⁵ Coalition for the Homeless, *State of the Homelessness 2020*, pg 28
<https://www.coalitionforthehomeless.org/wp-content/uploads/2020/03/StateofTheHomeless2020.pdf>

⁶ Coalition for the Homeless, *State of the Homeless*, pg. 28

would be eligible for supportive housing but have not been able to access the application or documents needed for an approval.

In 2016 Governor Cuomo committed to building 20,000 units of supportive housing; a promise on which he has failed to deliver. As the state approaches the end of his five year commitment, it is critical that the Governor release funding for the remaining 14,000 units in order to expedite the construction of units promised. Without releasing the funding, construction of this critically needed resource will be delayed, leaving our most vulnerable neighbors homeless and suffering in unsafe conditions which have only been compounded by COVID-19. The New York State legislature must demand that Governor Cuomo immediately fund the remaining 14,000 units of supportive housing that were promised in 2016.

In addition to the state's failure to do more to move people out of homelessness and into safe and stable housing, there has been a failure to prevent people who are living in unsafe housing from falling into homelessness. Well over 30% of Neighbors Together members live in unregulated, non rent-stabilized apartments, leaving them vulnerable to retaliatory evictions and rent increases well beyond their means. Neighbors Together members are constantly choosing between living in substandard and unsafe conditions or the risk of asking their landlords for repairs. While we commend the New York State Legislature for passing the Home Stability and Tenant Protection Act of 2019, which offered rent-stabilized tenants many protections under new reforms to rent stabilization laws, that was only a beginning. To truly stop the flow of people falling into homelessness, the State must pass protections for the over 1.5 million households (over 5 million people) in New York State who live in unregulated housing. By passing the Good Cause Eviction bill (S3082), the state legislature would protect people from falling into homelessness because of unreasonable rent increases, and ensure that no one faces retaliatory eviction because they tried to enforce their legal rights to repairs or essential services like heat and hot water. The Good Cause Eviction bill would cost nothing to pass, and would save the state significant dollars by keeping New Yorkers stably housed.

With the onset of COVID-19, there is another critical way that the State must help ensure New Yorkers remain housed. Unless the New York State legislature passes the COVID-19 Housing Relief and Recovery for All bill (S4050/A2617), millions of households across the state will fall into homelessness once the eviction moratoria are lifted. With rent debt nearing \$2.2 billion dollars, there is no way that families who have lost jobs, family, and income to COVID will be able to make up that debt in the current economic outlook. To assume that families would be able to somehow repay their rent debt ignores the fact that pre-pandemic nearly half of New Yorkers (46%) were rent

burdened.⁷ With such a significant amount of rent debt, small landlords across the state risk default and foreclosure. Community Service Society estimates that if nothing changes, New York State could face a foreclosure crisis similar to the crash in 2008.⁸ The COVID-19 Housing Relief and Recovery for All bill would address and prevent this crisis by forgiving rent debt and creating a landlord hardship fund that targets funds to those landlords who need it most. Unlike the failed Rent Relief Program, for which thousands of people were found ineligible, and whose burdensome application and eligibility requirements nearly lost New York State \$60 million in federal funding, the COVID-19 Housing Relief and Recovery bill would utilize a landlord application system to streamline the process, maximize efficiency, and minimize cost. New York State should pass and implement this bill immediately and direct all federal rent relief funds administered through the Office of Temporary and Disability Assistance into a landlord hardship fund that prioritizes those most in need. Passing this bill will keep people in their homes during a public health crisis, and prevent corporate investors from sweeping up vast swaths of distressed properties, raising rents, and displacing millions of New Yorkers.

Finally, if the State truly wants to end the homelessness and housing crisis, it must move away from the false austerity narrative that Governor Cuomo promotes. In order to avoid the most devastating effects of the COVID-19 crisis the State must make meaningful investments into funding programs that will help New Yorkers access and remain in safe, stable housing. The \$1.3 billion in federal funding will not be enough to see us through this crisis. New York State needs to invest at least \$2.25 billion into this year's budget- \$2.2 billion to clear rent debt via the COVID-19 Housing Relief and Recovery for All bill, and \$500 million to house homeless New Yorkers by passing and funding the Housing Access Voucher Program.

If New York wants a just recovery from COVID, then we cannot rely solely on federal aid. We must also pass taxes on high wealth and high income earners in order to create sustainable revenue for the state. We cannot afford to go back to the way things were before COVID. The pandemic has made apparent the deep injustices and intersections of systemic racism in housing, healthcare and education. Now is the time to make deep investments in a re-envisioned New York State where everyone has a home and is able to live in safety without fear of being evicted. Despite the continued rhetoric of austerity, there is enough money in New York State to raise revenue by taxing the very wealthy. In 2020 in New York State alone, there were 112 billionaires with over \$525 billion dollars of wealth between them. In the first three months of the

⁷ Fiscal Policy Institute, *Nearly Half of New York Renting Families are Rent Burdened*, https://fiscalpolicy.org/wp-content/uploads/2019/04/NYS-RentBurdens_Apr2019_MAIN-3.pdf

⁸ Community Service Society, *Corporate Windfalls or Social Housing Conversions*, pg. 3
https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/Foreclosure_Report_V111.pdf

COVID-19 pandemic, the wealth of New York billionaires grew by \$77 billion.⁹ Neighbors Together calls on the New York State legislators to pass the Invest in Our New York Act, a platform of six common sense revenue raisers that would create \$50 billion of additional revenue for the state.¹⁰

In order to address the unprecedented dual crises of homelessness and housing inequity and the COVID-19 pandemic, the New York State legislature must take action to lift people out homelessness, stop the flow of people into homelessness, and invest in equitable housing statewide so that our state will never be faced with another crisis of this proportion again. This can be done by:

- Passing the Housing Access Voucher Program (S2804/A3701), a rental assistance voucher program that is targeted to people on social security and public assistance, pays fair market rent, and includes both people who are homeless and at risk of eviction, and fully funding it's first year with \$500 million.
- Fully funding all 14,000 remaining supportive housing units promised by Governor Cuomo in 2016.
- Passing Good Cause Eviction (S2892/A05030) to create real protections for unregulated tenants, and help stop the flow of tenants into homelessness.
- Clearing rent debt, saving small landlords, and preventing a foreclosure crisis by passing and fully funding the COVID-19 Housing Relief and Recovery for All bill (S4050/A2617) with \$2.2 billion, and ensuring that all current and future federal rent relief aid is distributed by the guidelines laid out in the bill.
- Passing the Invest in Our New York Act of six taxes on the wealthiest New Yorkers, to bring in \$50 billion of sustainable revenue for a more just New York.

Thank you for your time and consideration.

⁹ Invest in Our New York, *Plan to Fund Our Future*, pg. 4, https://investinourny.org/media/pages/home/f437403786-1610116749/ionyfullreport_1.2_2021launch.pdf

¹⁰ Invest in Our New York, <https://investinourny.org/>

For further questions regarding this testimony, please contact Amy Blumsack, Director of Organizing and Policy at Neighbors Together at amy@neighborstogether.org.