

Joint Testimony
For the New York State
2021 Joint Legislative Budget Hearing-Human Services
February 9, 2021

On behalf of a coalition of property owners and operators, advocates, and legal service providers, we thank Senate Finance Chair Krueger, Assembly Ways and Means Chair Weinstein, Assembly Social Services Chair Rosenthal and Senate Social Services Chair Persaud for the opportunity to testify today at the State's Joint Legislative Budget Hearing on Human Services.

We are pleased to see several proposals to prioritize affordable and supportive housing in Governor Cuomo's executive budget, including \$128 million for the Homeless Housing Assistance Program (HHAP). Half of the HHAP funding \$64 million, is being earmarked to help fund Year 6 of the Governor's commitment to create 20,000 units of supportive housing over fifteen years, in partnership with an additional \$186 million in capital at Homes & Community Renewal. This commitment is critical to addressing the state's homelessness and affordable housing crisis and we fully support HHAP being funded at \$128 million in the SFY 2021-22 budget.

As you well know, the Covid-19 pandemic has intensified housing insecurity across New York State to an unprecedented degree. As New Yorkers struggle to pay rent, the State faces an eviction crisis, with over a million renters statewide at risk of eviction.¹ The brunt of this crisis is being felt disproportionately by communities of color, who have experienced more Covid-19 related job losses and are much more likely to have fallen behind on rent payments than white New Yorkers.² Based on results from the recent U.S. Census' Pulse Survey, an estimated 12% of white households not caught up on rent payments in November, compared with 23% of Latinx households, and 27% of Black households. The inability of struggling tenants to afford their rent in turn impacts landlords and our affordable and rent stabilized housing stock. Owners of smaller buildings, who are more likely than owners of larger buildings to be Black and Latinx, and seniors,³ tend to lack sufficient capital or access to credit to weather months of missed rent payments.

Eviction moratoria have been critical to keep renters in their homes during the pandemic but they are far from a comprehensive or permanent solution. It is a moral and public health imperative that we work together to provide robust rent relief to address housing stability long-term. The State can accomplish this by improving existing rental assistance resources and making them available to more renters, and by using federal funds allocated through the Coronavirus Relief Fund effectively.

¹ <https://www.nytimes.com/2021/01/01/nyregion/nyc-eviction-moratorium->

² <https://www.cssny.org/news/entry/race-and-the-economic-fallout-from-covid-19-in-new-york-city>

³ <https://www.urban.org/urban-wire/owners-and-renters-62-million-units-small-buildings-are-particularly-vulnerable-during-pandemic>

As the State prepares to administer the estimated \$1.3 billion that New York is receiving for rental assistance through the Coronavirus Relief Fund, we urge you to consider the following recommendations to ensure that any new rent relief funds are available to as many housing insecure New Yorkers as possible, build upon existing resources and infrastructure, provide safeguards for tenants, and include adequate support for local municipalities, administering agencies, and program applicants. Specifically we recommend:

- **Immigration Status:** Undocumented New Yorkers, who already have little to no access to existing government resources, should not be excluded from assistance because of their immigration status. In December, a federal judge in Arizona ruled that immigrants without permanent legal status in the US are eligible for short-term emergency relief.⁴ We encourage you to contract with nonprofit organizations to conduct outreach and process applications on behalf of undocumented households. This would be in line with established, non-federal subsidies like NYC 15/15.
- **New York City Allocation:** New York State should supplement NYC's allocation to account for NYC's higher share of renters and high-cost rents in order to correct for the Treasury distribution formula which only accounts for population. New York City should receive a larger proportion of funds than is currently allocated. New York City is current receiving 20% of the state's allocation, yet analysis by ANHD finds the City accounts for 59% of the state's renters with incomes below \$75,000.⁵ New York City was also the global epicenter of the Covid-19 pandemic, and is also the state's most expensive housing market, with over 47% of the city's renters paying over 30% of their income on rent in 2019, prior to the pandemic.⁶
- **Program Infrastructure:** A new program should build upon existing rental assistance programs, including leveraging partnerships with nonprofits with social service infrastructure to have a significant impact in the quickest and most cost effective way. While no more than 10% of total funds may be allocated for administrative costs, NY State should seek to minimize administrative costs and maximize assistance to renters. Additionally, administering agencies should consider allocating some funds for utility payment relief, as the winter months are far from over.
- **Application Process:** Any program's application should make it possible for property owners to apply on behalf of tenants with their consent, though tenants should also be able to apply for assistance on their own as well. Agencies should coordinate so that property owners and tenants can apply through either their local housing or social service agency. Allowing property owners to apply on behalf of tenants reduces the burden on tenants, and property owners already possess many application materials, like rent ledgers and leases, making the process more efficient. HCR should advocate for self-certification policies to reduce the administrative burden of applications, without additional proof to the U.S. Treasury.

⁴ <https://www.azcentral.com/story/news/local/phoenix/2020/12/09/court-noncitizens-eligible-phoenixs-housing-coronavirus-aid/3872037001/>

⁵ Social Explorer Tables: ACS 2019 (5-Year Estimates) (SE), ACS 2019 (5-Year Estimates), Social Explorer; U.S. Census Bureau

⁶ Social Explorer Tables: ACS 2019 (5-Year Estimates) (SE), ACS 2019 (5-Year Estimates),

- **Safeguards for Tenants:** New York City and State should consider adding additional stipulations if property owners do not cooperate in the application process to ensure tenant housing stability. Tenants should be supported in accessing resources directly if necessary. Agencies should also stipulate additional oversight to ensure tenants' rights are protected during the application process, in partnership with tenants' rights organizations. Eligible tenants should be protected from eviction filings, judgments and executions of judgments for the months covered by assistance.
- **Coordination Between City and State:** The City and State's housing and social services agencies should coordinate to ensure dual programs are not confusing to applicants, and to ensure that the city receives an adequate share of funds.
- **Public Awareness and Education:** The State should engage in a public education campaign to ensure tenants and property owners know what resources are available to them, on which municipal level resources are available (e.g. city vs. county) and how to submit an application. This could leverage existing infrastructure of trusted community-based partners.

We recognize that the focus right now should be designing the best mechanism for distributing the current pot of money, but we also must emphasize that this amount of money and the 12- to 15-month period of assistance that it permits will not be sufficient to meet the need for rental assistance resulting from Covid-19 and advocacy for continued funding will be needed.

Beginning in 2020, the New York City Eviction Prevention Roundtable came together to develop upstream solutions to prevent evictions. The Roundtable has created a set of recommendations to streamline and expand eligibility for existing assistance programs, align them more closely with the cost of housing, and address growing economic need. We strongly urge the State to:

1. Waive the requirement for an eviction filing for FHEPS and CityFHEPS (in community) eligibility, while expanding FHEPS and CityFHEPS eligibility to include adults with disabilities, seniors, those aging out of foster care, runaway and homeless youth, domestic violence survivors, individuals discharged from hospitals and incarceration who would otherwise go to shelter, and long-term tenancies (15 years or more in current location). For CityFHEPS, fully implement in community eligibility for youth aging out of foster care and runaway and homeless youth by drafting clear referral procedures from administering agencies.
2. Match funds to allow for a raise in the rent ceiling for FHEPS and CityFHEPS. FHEPS and City FHEPS should be raised to Section 8 payment standards, as determined by the US Department of Housing and Urban Development (HUD), while encouraging high-quality housing for all New Yorkers through new appropriations for inspection resources and better administrative coordination between agencies to improve and prioritize inspection infrastructure for homeless or extremely low-income New Yorkers.
3. Waive the requirement to repay One-Shot Deals and provide flexibility on the future ability to pay assessment, at least for the duration of the Covid-19 emergency.

New York already faced crisis of housing affordability and stability prior to the Covid-19 pandemic, and our recovery effort must meaningfully address these issues even after the

pandemic subsidies. Thank you for your efforts to ensure that more New Yorkers can access and remain in stable housing during this unprecedented time in the State's history and in the future.

Signed,

Citizens' Committee for Children

Enterprise Community Partners

The Legal Aid Society

Homeless Services United

New Destiny Housing

New York Peace Institute

Real Estate Board of New York

Supportive Housing Network of New York