

Thank you for the opportunity to offer comments at today's Joint Legislative Budget Hearing on Housing. My name is Oksana Mironova and I am a housing policy analyst at the Community Service Society of New York (CSS), a leading nonprofit organization that promotes economic opportunity for New Yorkers. We use research, advocacy, and direct services to champion a more equitable city and state, including to urgently address the effects of the city's housing affordability crisis.

We have been tracking New York's eviction and other housing hardship trends for decades. From 2020 to 2021, New York held off a sharp increase in evictions with rental assistance programs and an eviction moratorium. With the end of the moratorium in early 2022, eviction filings climbed sharply. Our 2022 Unheard Third Survey—the longest running survey of low-income people in the US—shows that 15 percent of all tenants were targeted for eviction, the highest share in a decade. Last year, one in five tenants of all incomes — and nearly one in four low-income tenants — have had to move in with others because of financial reasons. And, on any given night, approximately 92,000 people in New York State sleep in a homeless shelter or on the street.

This heightened crisis demands urgent action from our state government to keep people housed, to house those experiencing homelessness, and to ensure safe conditions for all. The following are some of the most important housing issues and legislation CSS has identified for the upcoming budget.

Prevent Evictions

In late 2017, New York became the first city in the country to implement a Right to Counsel (RTC) law. RTC proved to be effective from the onset. <u>Looking back at two years of data in late February 2020</u>, we found that evictions in zip codes covered by RTC declined by 29 percent, 13 points more than in non-RTC zip codes with similar eviction, poverty, and rental rates. Further, 84 percent of tenants with access to counsel in eviction cases were able to stay in their homes. The data shows that RTC was extremely effective in bringing eviction rates down in NYC.

Unfortunately, today, more and more eligible tenants are facing housing court without legal counsel as thousands of eviction cases move forward without RTC. Last year, 14,000 tenants with eviction cases were denied their legal right to an attorney. Statewide Right to Counsel legislation (S2721/A1493), introduced by Assemblymember Joyner and Senator May, would ensure that every tenant in New York State has the right to a lawyer when facing an eviction.

While Governor Hochul's proposed budget includes \$35 million in funding for upstate legal defense it does not go far enough to protect tenants. It does not establish the universal Right to Counsel for the state, nor does it help tenants in New York City. To keep tenants in their homes, the state must commit \$172 million for the first year of Statewide Right to Counsel's implementation, including \$152 million for civil legal services statewide; \$14M for community organizing and education; and \$6.4M for the establishment of a new state agency, the Office of Civil Representation.



Further, the state must pass Good Cause eviction protections (S305 Salazar/A5573 Hunter) which would complement the statewide Right to Counsel law, providing tenants with a baseline right to remain in their homes by prohibiting lease non-renewals and evictions without good cause.

End and Prevent Homelessness

The Housing Access Voucher Program (HAVP Kavanagh S568A / Rosenthal A4021) would both immediately rehouse the homeless and prevent more homelessness in the future. HAVP would create a state-funded voucher that would operate much like the federal Section 8 program. Half the new vouchers would go toward rehousing people experiencing homelessness, and half would go to low-income tenants (including those who cannot access Section 8 vouchers) to help them remain housed despite declining incomes and rising costs. A commitment of \$250 million toward this program would have a transformative impact, aiding over 20,000 families or individuals in exiting or preventing homelessness.

Invest in Social Housing

New York State has a rich social housing history, with developments like Co-op City providing safe, well-maintained, and affordable housing to tens of thousands of New Yorkers. Social housing includes three key features: deep affordability (or promoting social equality); decommodification (or insulating housing from market forces); and democratic management (or enabling residents to exercise control over their housing). Other legacy examples of New York State's social housing include its early and robust public housing program, Mitchell-Lama, and low-income cooperative development through HPD's Department of Alternative Management.

The state can build on this legacy by, first and foremost, by passing and funding the Tenant Opportunity to Purchase Act (S221 Myrie/A3353 Mitaynes). Under TOPA, when rental buildings go up for sale, tenants would have the right of first refusal to either buy the building themselves and turn it into a limited-equity cooperative or designate a preferred buyer who would steward the building under a social housing model. This legislation would prevent high-speed flipping of rental buildings for extreme profit and would give tenants a stronger hand in determining their housing futures.

Preserve and Protect Public Housing

The single largest and most important social housing program in New York – public housing – deserves much more support and attention. Last session's passage of the Preservation Trust legislation and inclusion of a resident voting requirement moved forth a historically unheard-of approach to resident decision-making. However, this was only the beginning in the creation of a path to preservation. The authority faces a more than \$40 billion capital backlog as well as operating shortfalls that force it to use a portion of its inadequate federal capital funds to fill the gap. As a result, its residents struggle daily with seriously deteriorating conditions, and to make matters worse, the pandemic has left the agency with a heightened operational budget crisis that will make regular building management difficult, unless the agency moves to evict tens of



thousands of households. Currently, NY public housing residents have accrued approximately \$538 million for rental arrears at NYCHA and \$51 million for Public Housing Authorities in Western New York, Upstate, and Long Island. While tens of thousands of these households applied to the Emergency Rental Assistance Program (ERAP), the authorizing legislation deprioritized public housing tenants and others assisted households. New York was the only state to put public housing residents at the end of the line; in fact, our neighbors in Massachusetts and Maryland prioritized public housing tenants in their ERA programs. More than 200 thousand ERAP applications have been paid out to private landlords, totaling over \$3 billion, but no funds have gone to public housing applicants. When making this policy decision, state lawmakers didn't account for the fact that like any other landlord, NYCHA's building management and operations are funded primarily through rent, leaving the agency and its residents in an untenable situation.

CSS urges the State to move to prevent mass evictions – which have already commenced – by allocating \$589.4 million towards a new rental assistance program that serves public housing residents. Regarding NYCHA specifically, even with the passage of the Trust legislation, there are thousands of units that won't be covered by the Trust anytime soon, and no one can predict the outcome of resident elections. CSS renews its call for the State to make a long-term capital commitment of \$1.5 billion annually to restore the infrastructure of thousands of units that won't be covered by the Trust or PACT, a commitment that we will also press the City to match the State.

Thank you again for the opportunity to offer our comments. For more information or if you have any questions, please contact Oksana Mironova at omironova@cssny.org.