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2024 JOINT LEGISLATIVE BUDGET HEARING HOUSING

Thank you Majority Leader Stewart-Cousins, Senate Housing, Construction and Community Development Committee Chair Kavanagh, Speaker Carl Heastie, Assembly Housing Committee Chair Rosenthal, the New York State Finance Committee and the New York State Assembly Ways and Means Committee for holding this very important hearing. We welcome the opportunity to submit testimony on behalf of The Legal Aid Society concerning fiscal priorities for the coming year in the area of housing. We are eager to work with the Committees to ensure that tenants across New York State have access to safe and affordable housing.

The Legal Aid Society

The Legal Aid Society (Legal Aid), the nation's oldest and largest not-for-profit legal services organization. Legal Aid provides comprehensive legal services in all five boroughs of New York City for people who cannot afford to pay for private counsel. Since 1876, Legal Aid has advocated for low-income families and individuals and has fought for legal reform in City, State, and Federal Courts across a variety of civil, criminal and juvenile rights matters. Legal Aid takes on 300,000 cases annually, including thousands of cases in which we fight for the rights of tenants in regulated and unregulated apartments across the city. Legal Aid also takes on law reform and appellate cases, the results of which benefit more than 1.7 million low-income New Yorkers; the landmark rulings in many of these cases have a state-wide and national impact.

Justice in Every Borough.

Introduction

The Legal Aid Society welcomes the opportunity to speak about this incredibly important issue. Last year, in the State of the State speech, Governor Hochul laid out the problem facing New York and its renters. She said

“New York State is currently facing a severe, once-in-a-generation housing crisis. According to the Population Reference Bureau more than half of New York renters are rent-burdened, meaning that they pay more than 30 percent of their income on rent – the second-highest rate in the nation. In the New York City metro area, rents have risen 30 percent since 2015 and home prices have risen 50 percent over the same period. Outside of New York City, rents have risen 40 to 60 percent since 2015 while home prices have risen 50 to 80 percent¹.”

We agreed with the Governor, we are in a once in a generation housing crisis. Tenants are struggling to find affordable housing and because most tenants live in unregulated housing, at any moment their housing stability could be taken away from them. It was unfortunate that last year’s budget did little to address this severe once-in-a-generation crisis. It is even more disappointing that this year’s budget does not even acknowledge the crisis let alone provide solutions that tenants can use today instead of years and years from now. The purpose of this testimony is to discuss what is needed from our elected officials to address this unrelenting crisis.

While this testimony attempts to describe what low-income tenants face throughout New York State, we would be remiss if we did not discuss the extraordinary Housing and Vacancy Survey that was released last week. That survey was collected in and around May 2023. New York City’s vacancy rate is an astonishing 1.4 percent.² For the lower half of the housing units in New York City, the vacancy rate remains dismal, under 1 percent³. That is not new. The incredible plummet in the housing vacancy rate comes from the decrease in the

¹ <https://www.governor.ny.gov/news/governor-hochul-announces-statewide-strategy-address-new-yorks-housing-crisis-and-build-800000>

² Gaumer, E. *The 2023 New York City Housing and Vacancy Survey: Selected Initial Findings*. New York, NY: New York City Department of Housing Preservation and Development; 2024. at 21
<https://www.nyc.gov/assets/hpd/downloads/pdfs/about/2023-nychvs-selected-initial-findings.pdf>,

³ *Id.*

vacancy rate for the higher half of the rental housing market⁴. Additionally, due to a redesign in the survey, we have data to confirm what we believed to be the case. When a low income tenant loses their home, they have very few options and the apartments that are affordable to them, go to higher income tenants⁵. Furthermore, this year, like the survey from two years ago, shows an increase in tenant complaints about conditions. However, the rate of increase is the same in rent stabilized and unregulated units.⁶ And there is a higher rate of increase when you look at higher rent apartments. In other words, it is the conditions in higher rent that is driving the increase in complaints about conditions.

Declining Affordability of Housing

Many New York City renters are facing dire circumstances. In the face of fewer rental opportunities and higher prices, renters are suffering from a growing disparity between what they can afford and their actual rent. According to the Selected Initial Findings of the 2023 New York City Housing and Vacancy Survey, the median rent for New York City renters was 1641.⁷ According to the HVS, between 1993 and 2023, there was a net loss of over 600,000 units renting under \$1500 and a net gain of over 75,000 units with rents of \$5000 and more.⁸ The median renter income is 70,000 and for half of New York City's renter households, those earning under 70,000, the typical renter is severely rent burdened.⁹ Among households earning less than \$25,000 a year who do not live in public housing or report having a voucher, an astonishing 86 percent are severely rent burdened.¹⁰ An individual would have to work an astonishing 104 hours per week at minimum wage, 52 weeks a year, in order to afford an average two-bedroom apartment in New York City¹¹. Alternatively, the individual would need a wage increase to at least \$38.961 per hour, or

⁴ *Id.*

⁵ *Id.* at 26 & 46

⁶ *Id.* at 35-36

⁷ Gaumer, E. *The 2023 New York City Housing and Vacancy Survey: Selected Initial Findings*. New York, NY: New York City Department of Housing Preservation and Development; 2024. Page 13. <https://www.nyc.gov/assets/hpd/downloads/pdfs/about/2023-nychvs-selected-initial-findings.pdf>

⁸ *Id.* at 19.

⁹ *Id.* at 55.

¹⁰ *Id.* at 57.

¹¹ NYC Rent Guidelines Board, *2022 Income and Affordability Study*, 21. <https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2022/04/2022-IA.pdf>

\$81,040 a year, in order to afford the same apartment.¹² There were 33,210 apartments vacant and available to rent¹³. Of that number, only 4442 apartments, or 13 percent, were affordable to New Yorkers earning less than 50,000 a year¹⁴. Only 12,500, or 37 percent, were available to New Yorkers earning under 100,000 a year¹⁵. The median income a household would need to afford one of the vacant apartments is somewhere between 100,000 and 150,000 a year¹⁶. The median household income for a renter household is \$70,000¹⁷. Needless to say, the clients of The Legal Aid Society cannot afford these rents.

Declining Availability of Housing

Unfortunately for New York City renters, declining affordability is coupled with declining availability. The number of vacant units affordable to low-income New Yorkers is meager. In 2023, the vacancy rate for all units with rents less than \$1100 was only 0.39 percent¹⁸. The 2023 vacancy rate for units between \$1100 and \$1649 was no better at 0.91 percent. The vacancy rate for units between \$1650 and \$2399 was frighteningly 0.78 percent. The scarcity of available rent-stabilized housing is a part of an overall decline in the availability of affordable housing. There remain only 77,000 units covered by either the Mitchell-Lama program or the federally subsidized Project Based Section 8 program. This is a loss of 35 percent since 1990¹⁹. Applicants for public housing face similar shortages: 274,745 families are on the waitlist for NYCHA public housing, with 17,576 applicants on the waiting list for Section 8 housing vouchers in New York City.²⁰ This combination of market forces and governmental decisions has worked together to have a devastating effect

¹² *Id.* at 22.

¹³ Gaumer, E. *The 2023 New York City Housing and Vacancy Survey: Selected Initial Findings*. New York, NY: New York City Department of Housing Preservation and Development; 2024. Page 26. <https://www.nyc.gov/assets/hpd/downloads/pdfs/about/2023-nychvs-selected-initial-findings.pdf>

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.* at 42. There was a large increase in the median household income which was driven by the huge influx of higher income households coming into New York City.

¹⁸ *Id.* at 21

¹⁹ Oksana Miranova, *Closing the Door: Subsidized Housing at a Time of Federal Instability*, Community Service Society, March 2018. https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/Closing_the_Door_FINAL_WEB.pdf

²⁰ [NYCHA-Fact-Sheet-2023.pdf](#)

on low and moderate income New Yorkers. The declining number of vacant units available for rent, the fact that housing expansion has not kept pace with population growth, and the ongoing public housing crisis have all contributed to the scarcity of available affordable housing.

Housing Stability Leads to Better Outcomes in Health, Education and Employment

When families have stable housing it leads to better outcomes in health, education, and employment. Housing instability has been linked to greater risk of depression²¹, worse outcomes for chronic illnesses like diabetes,²² low-weight and/or pre term infants²³, and general adverse childhood health²⁴. Frequent moves before a child is seven years old leads to greater thought-related and attention-related problems²⁵. These problems can reduce educational achievement. Children who experience high mobility between third and eighth grades do worse in school²⁶. Moreover, forced moves are also a predictor for job loss²⁷. If keeping employment without stable housing is difficult, finding new employment while unstably housed is even more difficult. If we are to recover from this pandemic, people who

²¹ Burgard, S. et al, *Housing Instability and Health: Findings from the Michigan Recession and Recovery Study*, Social Science & Medicine, December 2012.
<https://www.sciencedirect.com/science/article/abs/pii/S0277953612006272?via%3Dihub>

²² Berkowitz, et al. *Unstable Housing and Diabetes-Related Emergency Department Visits and Hospitalization: A Nationally Representative Study of Safety-Net Clinic Patients*, 2018
<https://pubmed.ncbi.nlm.nih.gov/29301822/#:~:text=Conclusions%3A%20Unstable%20housing%20is%20common,for%20vulnerable%20individuals%20with%20diabetes.>

²³ Leifhart, et. al, *Severe Housing Insecurity during Pregnancy: Association with Adverse Birth and Infant Outcomes*, Int J Environ Res Public Health. 2020, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7700461/>

²⁴ Sandel, et al, *Unstable Housing and Caregiver and Child Health in Renter Families*, Pediatrics, 2018, <https://publications.aap.org/pediatrics/article/141/2/e20172199/38056/Unstable-Housing-and-Caregiver-and-Child-Health-in>

²⁵ Gaylord, et al., *Impact of housing instability on child behavior at age 7*, Int J Child Health Hum Dev., 2018, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8442946/>

²⁶ Cutuli, et al, *Academic achievement trajectories of homeless and highly mobile students: Resilience in the context of chronic and acute risk*. Child Development 2013. https://www.researchgate.net/profile/Jeffrey-Long-6/publication/24250390_Academic_achievement_of_homeless_and_highly_mobile_children_in_an_urban_school_district_Longitudinal_evidence_on_risk_growth_and_resilience/links/5c9b85c2a6fdccd4603f111c/Academic-achievement-of-homeless-and-highly-mobile-children-in-an-urban-school-district-Longitudinal-evidence-on-risk-growth-and-resilience.pdf

²⁷ Desmond, et al, *Housing and Employment Insecurity among the Working Poor*, Social Problems, 2016. <https://scholar.harvard.edu/files/mdesmond/files/desmondgershenson.sp2016.pdf?m=1452638824>

were employed prior to the pandemic need assistance to find and keep new jobs. The cost of adverse health outcomes, poor education achievement and lack of employment is significant and will ultimately harm New York State's ability to grow its economy.

Housing Access Voucher Program

We urge the passage of the Housing Access Voucher A4021 (Rosenthal)/S568(Kavanagh). Homelessness has reached epidemic levels in New York State. Last year's point in time census of homeless New Yorkers was 103,200²⁸. But that survey is done in January and includes sheltered and unsheltered homeless New Yorkers throughout our entire state. As of November 2023, there were 92,824 individuals living in New York City's homeless shelter²⁹. At the end of December 2023, the total number of people shelters in New York City's shelter was 123,000³⁰. The number of homeless New Yorkers sleeping in New York City's shelters is 76 percent higher than it was 10 years ago³¹. A record 119,300 New York City students were homeless last year³². Most local governments lack the resources necessary to address the homelessness crisis. We know that housing stability leads to better educational outcomes for children and better health outcomes for elderly and disabled tenants. It is time for New York State to find an answer to this intractable crisis. Creating a state-wide Section 8 program would be the start of providing low-income New Yorkers with stability. We strongly supported this bill when it was introduced in 2020. It was a priority before COVID. But if there is one lesson we have learned over these long hard years, it is that housing is health care. New York State must prioritize a path to permanent housing for its homeless citizens.

The Housing Access Voucher Program would be administered through the public housing authorities throughout the state. Currently those public housing authorities administer the federal Section 8 program. As the new Housing Access Voucher Program is similar to the federal Section 8 program in its details, counties and localities would not be

²⁸ 2007-2023 PIT Counts by State, <https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>

²⁹ <https://www.coalitionforthehomeless.org/facts-about-homelessness/>

³⁰ <https://www.coalitionforthehomeless.org/basic-facts-about-homelessness-new-york-city/>

³¹ <https://www.coalitionforthehomeless.org/basic-facts-about-homelessness-new-york-city/>

³² Closson, Troy, A Record 119,300 New York City Students Were Homeless Last Year, New York Times, November 1, 2023, <https://www.nytimes.com/2023/11/01/nyregion/homeless-students-nyc.html>

administratively burdened by having to train workers on a new program. A recent report found that communities where people spend more than 32 percent of their income on rent can expect a more rapid increase in homelessness³³. The Housing Access Voucher Program would cap tenants' rent at 30 percent of household income to increase housing stability as beneficiaries' incomes rise and fall. Additionally, the public housing authorities would be required to inspect rental units so to ensure that public monies do not go to landlords renting unsafe housing.

Thus, we strongly support the Housing Access Voucher A4021 (Rosenthal)/S568(Kavanagh) and urge that it be included as part of 2024 budget.

Support for Public Housing

We urge you to protect our State's public housing by including operating subsidy and capital funds in the FY 2024 budget for public housing across the state. Public housing is suffering from the effects of decades of disinvestment. These developments are home to some of New York's most vulnerable populations including seniors and families with young children. Across New York State, our public housing is in disrepair -- putting over 600,000 people at risk of lead paint exposure, mold, and other environmental toxins. Public housing developments are regularly without heat and hot water; residents suffer from non-working elevators, leaks, and infestations. Public Housing is a necessary resource that keeps New York City and New York State affordable to many. NYCHA is, by far, the State's largest provider of affordable housing. It offers the only truly and permanent affordable housing in the State to hundreds of thousands of very low-income New Yorkers. Eviction rates are lower in public housing than in any other form of affordable or supportive housing.

Until 1998, New York State provided ongoing operating and capital support for the 15 State built public housing developments. In 1998- Governor Pataki stopped providing operating support. NYCHA estimates that from that time until 2010 (when some of the units were federalized) these State built units generated \$60 million of operating subsidy shortfall for NYCHA annually- between 2001-2010, estimated at \$660 million. Since 2010, when the units were federalized, they continue to generate approximately \$15 million a year in operating shortfalls for NYCHA (because not all units were actually receiving federal operating subsidy as a quirk in how they did the federalization). NYCHA is forced to use its

³³ *Priced Out: Homelessness Rises Faster Where Rent Exceeds a Third of Income*, Chris Glynn, Alexander Casey, December 11, 2018, <https://www.zillow.com/research/homelessness-rent-affordability-22247/>

limited federal funding to cover the operating costs of those State units- money that it doesn't have.

Prior to 2015, there had not been any substantial allocations for NYCHA repairs from New York State. In recent years, \$550 million has been allocated to the New York City Housing Authority in the State budget. These funds have been critical as we work to fight the tide of capital shortfalls, but public housing continues to be severely underfunded. It is time to recognize this housing stock and its residents are at a precipice and it is up to New York State to create a backstop for this federal divestment. This \$550 million commitment from the State to the New York City Housing Authority demonstrates progress that we need to move forward on. Keeping NYCHA, and public housing authorities across the State, in a perpetual state of capital deficit will make operating problems worse, not better.

Furthermore, the housing authorities outside New York City face the same woes and also require attention. The Buffalo Municipal Housing Authority, for example, ranks among one of the nation's most needy authorities. Across the State, public housing residents have been forced to forego basic maintenance as a result of decades of federal divestment. New York City Housing Authority (NYCHA) developments needs billions in the FY 2022 budget for capital improvements and operating subsidies. Ongoing commitment and efficient investment by all levels of government is necessary to maintain this vital resource.

Eviction Only For Good Cause

We urge passage of A44543(Hunter)/S305(Salazar). The Legal Aid Society believes that prohibiting evictions that are without cause is an essential tool in the fight to prevent displacement that undermines family stability. The Good Cause bill would extend the right to a renewal lease and protections from unconscionable rent increases to all tenants across New York State, except those living in owner-occupied buildings with four or fewer units. The bill would protect 1.6 million tenants across New York State³⁸. The bill requires a landlord to obtain an order from a judge certifying that an eviction is for a good cause before they can remove a tenant from the unit. It further stipulates that the end of a lease is not a good cause. The bill also acknowledges that steep rent increases are often de facto evictions and requires that rent increases of more than 1.5 times the annual percentage change in the consumer price index be presumed unreasonable, unless accompanied by special

conditions. While on average rents are slightly cheaper than they were last year, still the national median rent is nearly \$250 per month higher than it was just three years ago.³⁴

When tenants lack the right to a renewal lease, it is in their interest to remain silent in the face of housing conditions that threaten their health and safety. If the government is serious in its desire to prioritize safe and healthy homes, it must partner with tenants who live in these homes and experience the urgent need for repairs. However, without a right to remain, it is impossible for tenants to assert their rights without risking eviction. For example, Legal Aid represented a woman who lives in a two-unit building above a storefront in Jamaica, Queens. This tenant is disabled and had been in and out of the hospital during the two years that she has lived in this apartment. In February 2023, there was a fire in a neighboring store which damaged the ceiling in her apartment. She lived with a damaged ceiling and other unsafe and unsanitary conditions for months but decided that she had tolerated enough when her landlord changed the locks to her apartment. She brought two cases against her landlord in Queens Housing Court in 2023, first to obtain the key to the new locks, then to address the conditions and harassment by her landlord. Her landlord responded by bringing a no defense holdover. She has few defenses in her case. It will unfortunately only be a matter of time before she will be forced to vacate the apartment. Low-income tenants, particularly the elderly and disabled, should not have to weigh the risk of eviction against asserting their right to essential services.

This bill would represent a huge step forward for Legal Aid's clients in all five boroughs. For Legal Aid lawyers on the front lines of the City's housing crisis, these protections will help even the playing field in court, reducing the number of eviction proceedings brought against low-income tenants, and empowering them with many of the legal defenses tenants in regulated apartments already enjoy.

Thus, we strongly support A44543(Hunter)/S305(Salazar).

Conclusion

Thank you for the opportunity to submit testimony before the Joint Legislative Budget Hearing on Housing. We come before your committees every year, asking that the legislature take seriously the unrelenting housing crisis that low income renters in New York State face. Inaction in the face of such crisis is unacceptable.

³⁴ <https://www.apartmentlist.com/research/national-rent-data>

Sincerely,

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