



**NYS Budget Testimony: Housing  
Committees on Finance and Housing  
February 14, 2024**

**Introduction and Thanks:** My name is Catherine Trapani, and I am the Assistant Vice President for Public Policy for Volunteers of America-Greater New York (VOA-GNY). We are the local affiliate of the national organization, Volunteers of America, Inc. (VOA). I would like to thank Finance Committee Chairs Krueger and Weinstein, Housing Chairs Kavanagh and Rosenthal as well as the other members of these Committees, for the opportunity to submit the following testimony.

**About Us:** VOA-GNY is an anti-poverty organization that aims to end homelessness in Greater New York through housing, health and wealth building services. We are one of the region's largest human service providers, impacting more than 12,000 adults and children annually through 70+ programs in New York City, Northern New Jersey, and Westchester. We are also an active nonprofit developer of supportive and affordable housing, with a robust portfolio permanent supportive housing, affordable and senior housing properties—with more in the pipeline.

The following testimony will focus on the acute housing needs of the lowest income New Yorkers, particularly those experiencing homelessness.

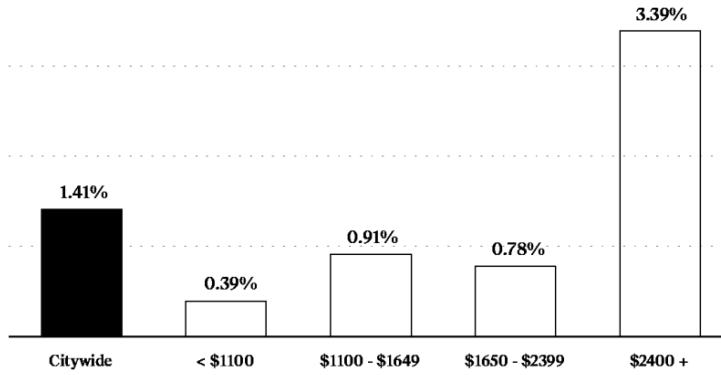
**Background:**

The recent publication of the 2023 New York Housing Vacancy Survey data is a stark reminder at how little housing is available to low-income households unable to afford “Fair Market Rent” (FMR) which is just over \$2400 for a one-bedroom apartment in New York City- a rent that would be considered affordable to a family of 3 earning roughly 80% of the area median income (AMI). In fact, **the data show that less than 1% of vacant units renting for less than FMR for a one bedroom were vacant in 2023<sup>1</sup>**. This means that without some form of rental assistance or vacancy in an affordable housing project that puts market rate housing in reach of those with incomes below the median, it is nearly impossible to find an apartment.

---

<sup>1</sup> [2023-nychvs-selected-initial-findings.pdf](#)

Figure 6. Net Rental Vacancy Rate by Asking Rent

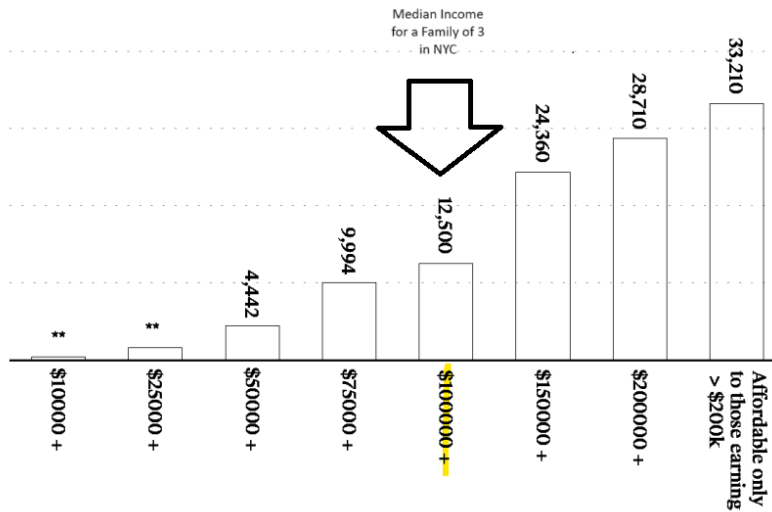


Source: New York City Housing and Vacancy Survey (NYCHVS), 2023. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

1<https://www.nyc.gov/assets/hpd/downloads/pdfs/about/2023-nychvs-selected-initial-findings.pdf>

The vacancy rate for units renting at or above FMR is not much better, coming in at 3.39%, still well below the 5% threshold for the housing inventory remaining in a state of emergency. Only at units renting to the highest income earners to be we begin to see a reasonable supply of vacant rental housing.

Figure 9. Incomes Needed to Afford Vacant Units Available for Rent



Source: New York City Housing and Vacancy Survey (NYCHVS), 2023. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

\*\* Estimate is subject to a large amount of sampling variation and is therefore not reported.

2<https://www.nyc.gov/assets/hpd/downloads/pdfs/about/2023-nychvs-selected-initial-findings.pdf>

It is therefore imperative that that the State do everything in its power to increase the housing supply of units that are affordable to low-income New Yorkers while also supporting persons with low incomes with vouchers so they can compete for units renting at market rates.

### **Recommendations:**

#### **Expand Access to Rental Assistance and Protect Against Displacement**

The fastest way to reduce the number of people experiencing homelessness would be to aid those whose incomes preclude them from competing in the rental market with a voucher so they can access what housing is available.

The Housing Access Voucher Program (HAVP) (S568B/A4021A) would provide desperately needed rental assistance to households experiencing or at risk of homelessness throughout New York State. Critically, this program is designed to serve those whose needs are not being met by the federal section 8 program due to limited voucher availability and overly stringent eligibility requirements and, provides support to persons in localities throughout the state regardless of a local district's ability to fund a local subsidy.

While VOA-GNY fully acknowledges that housing supply must increase throughout the State to make vouchers truly effective, we believe that investing in voucher programs as a complement to the proposed strategies to increase housing supply will ensure that any new development (be it via legal basement apartments, accessory dwellings, a new tax incentive program or something else) will be affordable to people experiencing homelessness.

The current patchwork of local subsidies makes it difficult for homeless and at-risk households to utilize existing voucher programs, unnecessarily limiting where participants can look for housing despite the regional economies in the State. A statewide approach to rental assistance can be a lifeline to people experiencing homelessness, particularly survivors of domestic violence who may not feel safe remaining in their social services district of origin when fleeing their abuser.

#### **Increase Housing Supply for Lowest Income New Yorkers**

We are encouraged by the executive budget's proposed continued investment in critical capital and service funding for affordable and supportive housing programs including:

- Continuation of the \$25 billion five-year housing plan commitments including \$11 Billion to support the operations of shelters and supportive housing units and to provide rental subsidies
- \$210 million for the Empire State Supportive Housing Initiative (ESSHI)
- \$128 million for the Homeless Housing Assistance Program (HHAP)
- \$44.2 for the Low-Income Housing Trust Fund

These investments are important to continue the current pipeline of projects but, if we are going to get ahead of the housing crisis in New York, we must create new tools to finance even more homes affordable to those with the lowest incomes.

### New Tools to Boost Housing Supply

We must do more to ensure that even more housing can be built to meet the needs of the lowest income New Yorkers. Specifically, we encourage the Governor and Legislature to work together to achieve the following:

- Create an As-of-Right Affordable Housing Tax Incentive to boost private development of affordable housing
- Create a new Tax Incentive for Office Conversions to Affordable Housing
- Remove FAR Cap to give NYC the flexibility to add new housing in dense neighborhoods
- Address safety issues and protect tenants through NYC basement and cellar legalization
- Explore the feasibility of creating a Social Housing Authority to create social housing throughout the state

It is imperative that any new tax incentive programs include provisions requiring affordability levels deep enough to reach the lowest income New Yorkers including those experiencing homelessness. We also strongly encourage the State to incorporate tenant protections into any housing deal to prevent new supply from accelerating gentrification or otherwise resulting in the displacement of existing low-income community members.

In addition to these proposals, we support the Governor's proposal to develop State-owned sites for affordable housing and encourage the investment of \$250 million in capital funding in this year's budget for the first installment of \$500 million total to support site preparation, improvements, and infrastructure to support this effort.

### Preventing Insurance Discrimination in Affordable Housing

To ensure that the cost of developing affordable housing remains feasible, reforms in the insurance market are necessary. The Executive Budget includes proposed Article VII language to amend the insurance law to prohibit insurance carriers from inquiring or considering tenants' source of income or the existence of affordable housing programs in the decision to issue or continue insurance for real property. The proposed bill would also make it illegal to increase insurance premiums on the basis of tenants' source of income or the existence of affordable housing programs. We support this policy provision to ensure that affordable housing providers are not penalized for serving low-income tenants. It will make developing and operating affordable housing more fiscally viable and end an unfair, discriminatory practice.

### Preserve Existing Supportive and Affordable Housing

Even as we continue to push for new housing development, we cannot allow any progress we do make be eroded by the loss of existing units that have fallen into disrepair, or which lack the resources to successfully continue operation.

In order to continue the progress, we've made on supportive housing development while also setting aside meaningful capital and service funding to preserve our existing, aging supportive housing stock, we must invest in preservation. Many properties need extensive capital repairs and some of the oldest properties also suffer from rates that have not kept pace with the high cost of services and rent. We

encourage the State to continue to find ways to modernize rates and set aside funding to ensure that we are not losing permanent supportive units which would destabilize tenants and undermine our housing development goals.

Therefore, we support the following proposed investments in existing supportive housing stock:

- \$60 million for the OMH Capital Improvement Fund
- \$43 million for OMH Supported Housing scattered site programs to account for rising rents and avoid losing units

**Closing:**

Thank you for the opportunity to submit testimony. Should you have any questions, I can be reached at [ctrapani@voa-gny.org](mailto:ctrapani@voa-gny.org).

Respectfully submitted by Catherine Trapani, Assistant Vice President of Public Policy, Volunteers of America-Greater New York