

# Building a More Equitable New York Housing

February 12, 2020

**HOUSING REMAINS A CRITICAL NEED IN NEW YORK STATE.** Having decent housing is recognized as a social determinant of health, with housing insecurity and homelessness being shown to impede people's ability to access needed healthcare, employment opportunities, education, and food. Over the last several years, the state has taken notable and commendable action to address its affordable housing crisis. Last year saw the passage of sweeping rent regulation legislation that will protect and promote the rights of over three million of the state's renter households.<sup>1</sup> The state has also worked to ensure that the rights of homeowners are protected, with the governor, legislature and state attorney general providing \$20 million in funding in Fiscal Year 2019 for foreclosure prevention. However, a crisis requires a long-term solution. New York State's leaders must work together to ensure sustained housing investment.

## Build Truly Affordable Rental Housing

Rental affordability in New York State is a continuing crisis. Census data indicates 50 percent of renters are housing cost burdened, with 27 percent being severely cost burdened, the highest rate in the nation.<sup>2</sup> In Fiscal Year 2017, New York State enacted a \$20 billion, five-year plan to create and preserve 110,000 units of affordable housing and 6,000 units of supportive housing.<sup>3</sup> Now entering its penultimate year, it is critical that the state ensure that: a) it is on track to meet its goals for affordable and supportive housing development, and; b) remaining funding be targeted to developing truly affordable housing. The most recent Census indicates that the median household income for renters in New York State is \$41,910/ annually. And while the median renter income in New York State has grown by 31.15 percent, from \$28,851<sup>4</sup> in 2000, the median rent has increased by 47.25 percent during that same timeframe, from \$672 to \$1,274.<sup>5</sup> For a rent to be considered affordable – meaning that not more than 30 percent of income is spent on rent - to a household earning the median income, their monthly rent should be no more than \$1,047/mo. Between 2010 and 2018, New York State lost over 404,000 units of rental housing with rents below \$1,000/month. Conversely, it gained nearly 366,000 units of rental housing with rents above \$2,000/month, with over 186,000 of those units having rents above \$3,000/month.<sup>6</sup>

### Long-term Loss of Affordable Rental Units in New York State, 2010-2018

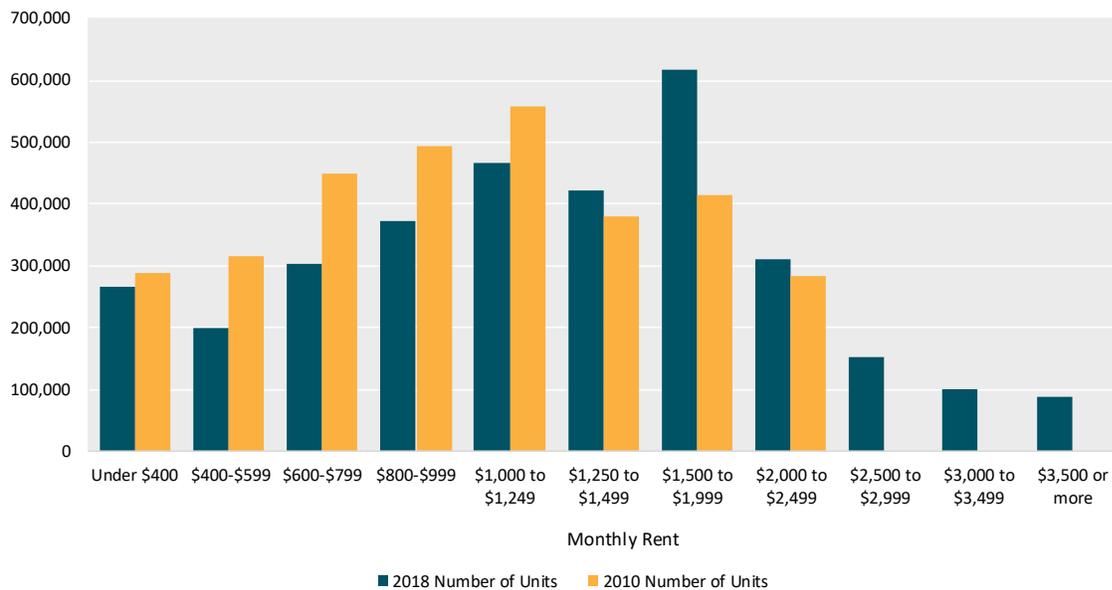


FIG. 1 Source: U.S. Census, 2010 and 2018 American Community Survey 1-Year Estimates, Table B25063.

## Ensure Equal Access to Homeownership

According to Census data, New York continues to have the second lowest rate of homeownership in the nation—53.8 percent versus a U.S. average of 63.9 percent. Only the District of Columbia has a lower rate. Racial disparities in homeownership also remain pronounced. White households are more than two times as likely to own homes as are Black and Hispanic households.<sup>7</sup> With respect to homeownership opportunities for low- and moderate-income homeowners, only 27.2 percent of homes are affordable for households earning 80 percent of the area median income (AMI). For those at the AMI, only 36.9 percent of homes are affordable. Moreover, since 2000, incomes have risen 33.6 percent, but the median home sales price has risen by 51.2 percent. The New York State Affordable Housing Corporation (AHC) creates homeownership opportunities for low- and moderate-income residents, but the appropriation has been flat for well over 25 years at approximately \$25-\$26 million. The Executive Budget Proposal for this year once again recommends an appropriation of \$26 million. **In order to address racial disparities and unequal access to homeownership, advocates recommend an additional appropriation of \$18 million is needed.**

Moreover, it is essential that New York State continues to fund efforts to promote sustainable homeownership and prevent foreclosure. According to a 2019 report from the New York State Comptroller's Office, New York has seen a decline in the rate of foreclosure filings, but Long Island and

## Home Ownership Lags for Households Headed by People of Color

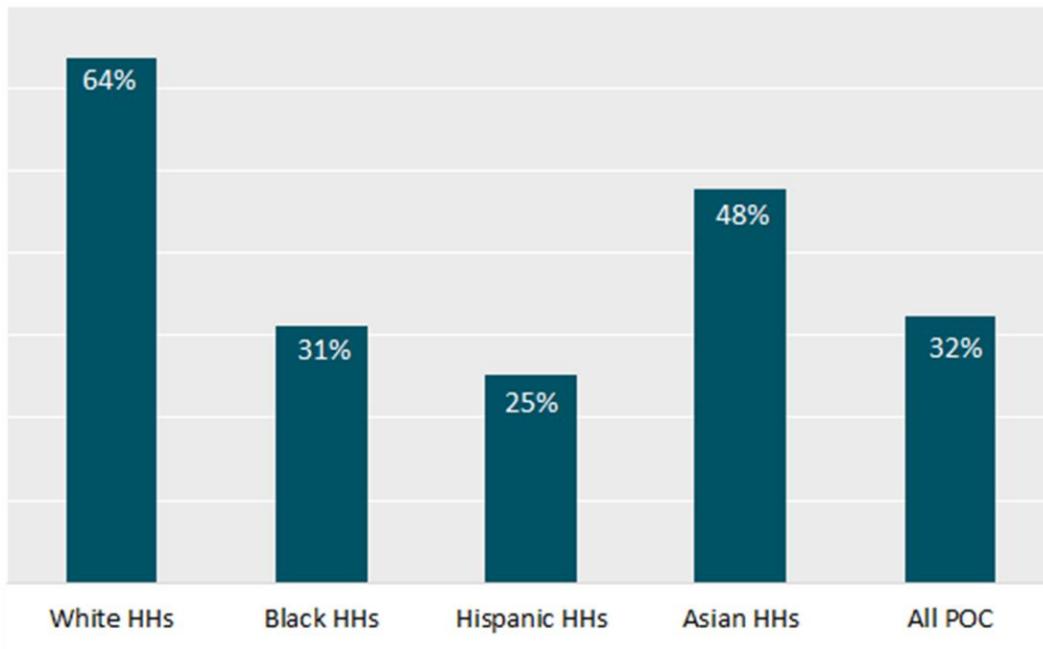


FIG. 2 Source: Estimated percent of households who own a home, 2014-18. PolicyMap. POC is people of color.

Westchester County continue to have high rates of foreclosure.<sup>8</sup> The Homeowner Protection Program (HOPP) was created in 2012 to help stabilize communities through the provision of foreclosure prevention and mitigation services, and to build new and sustainable homeownership opportunities for working families.<sup>9</sup> The continuation of such services is essential to the health and economic stability of our communities. **No appropriation was proposed by the governor for Fiscal Year 2021.**

### Effectively Address Homelessness Through Supportive and Homeless Housing

In Fiscal Year 2017, New York State made a historic commitment to create 20,000 units of permanent supportive housing over 15 years. This was in response to the growing homelessness crisis, which has risen 33.5 percent over the last decade to 91,897, with 7,195 experiencing chronic homelessness.<sup>10</sup> In addition to ending homelessness for people who are chronically homeless, supportive housing has been shown to increase housing stability and improve health outcomes. It is also a more cost-effective solution than providing crisis services through shelters, hospitals, jails and prisons.<sup>11</sup> The first five-year commitment of the 15 years funded the development of 6,000 units. New York State's leaders must ensure that the state can fulfill its long-term unit commitment.

The well-subscribed and highly successful Homeless Housing and Assistance Program (HHAP) was established in 1983. HHAP supports homeless housing development through the provision of critically needed capital funds for emergency, transitional, and permanent housing for the homeless. These capital grants are provided to not-for-profit corporations, charitable and religious organizations, and municipalities and public corporations. HHAP is sometimes the only state resource available to fund the

capital development of this type of housing, which provides housing to domestic violence survivors, people in recovery, youth aging out of foster care, and people with mental illness.<sup>12</sup> **Given the state's need for homeless housing, the Executive Budget proposal to double the current appropriation from \$64 million to \$128 million is a move in the right direction.**

### Protect Public Housing

Federal disinvestment has led to deterioration of our state's public housing. At present, there are over 189,000 households living in public housing throughout New York State, with the heaviest concentration of households residing in New York City. In order to address the backlog of repairs and to ensure that all residents of public housing can enjoy safe and healthy living conditions, **New York State must make a long-term, multi-billion-dollar capital investment in public housing, with at least \$1.05 billion appropriated in Fiscal Year 2021.**

### Keep Individuals and Families in Homes and Out of Shelters

The Home Stability Support (HSS) program proposes a new statewide rent supplement for families and individuals who are eligible for public assistance benefits and who are facing eviction, homelessness, or loss of housing due to domestic violence or hazardous living conditions.<sup>13</sup> HSS would replace all existing optional rent supplements and would be funded by the federal and state governments. The rent supplements would act as a bridge between the current shelter allowance and 85 percent of the fair market rent determined by the U.S. Department of Housing and Urban Development. Localities would have the option to further raise HSS up to 100 percent of the fair market rent. Unfortunately, **there is no appropriation included in the 2020-21 Executive Budget Proposal under this rubric.**

### Provide Operating Support for Housing Organizations

The New York State Neighborhood and Rural Preservation Programs (N/RPP) provide critical operating support to community-based not-for-profit housing organizations. Funded organizations, known as Neighborhood and Rural Preservation Companies (N/RPCs) provide services to low- and moderate-income residents in disinvested neighborhoods and communities in urban, suburban, and rural areas of New York State. Funds received by N/RPCs provide administrative support to help them implement their housing programs. N/RPC housing programs include critical activities, such as: eviction and foreclosure prevention, first time homebuyer assistance, homeless diversion, housing preservation and development, Main Street development, financial management, job training, and positive youth development. These services help ensure that residents in low- and moderate-income communities have access to the resources they need to live in safe, stable, healthy and affordable housing. The governor's Fiscal Year 2021 budget proposal includes funding for NPP at \$12.83 million and for RPP at \$5.36 million, the level at which the programs have been funded for the past several years. Because of the dire

need for housing services across our state, **funding to expand the program into statutorily eligible communities currently unserved by preservation companies should be considered.**

## Recommendations

- Ensure that affordable rental housing is truly affordable. The median renter income in Buffalo, NY is \$24,794. An affordable monthly rent can therefore be no more than \$620. However, the Buffalo-Cheektowaga-Niagara Falls, NY area median income is \$76,900. Rental units developed for 60% of the AMI in the City of Buffalo could be as high as \$1,150/mo, which is 46 percent of this renter’s monthly income.
- Adequately fund the Affordable Housing Corporation to ensure equal access to homeownership and ensure that low-and moderate-income people can build wealth through homeownership.
- Continue to make multi-year funding commitments so affordable and supportive housing development can continue uninterrupted.

<sup>1</sup> Census. *Estimated number of renters*. PolicyMap. [http://www.policymap.com/our-data-directory.html#Census:%20Decennial%20Census%20and%20American%20Community%20Survey%20\(ACS\)](http://www.policymap.com/our-data-directory.html#Census:%20Decennial%20Census%20and%20American%20Community%20Survey%20(ACS))

<sup>2</sup> Census. *Estimated percent of all renters who are cost burdened*. PolicyMap.

<sup>3</sup> <https://www.governor.ny.gov/news/governor-cuomo-launches-landmark-20-billion-plan-combat-homelessness-and-create-affordable>

<sup>4</sup> U.S. Census Bureau; *Census 2000 Summary File 3 (SF 3), Table HCT012; generated by Cara Long Corra; using American FactFinder; ; <<http://factfinder2.census.gov>>; (January 10, 2020)*

[https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC\\_00\\_SF3\\_HCT012&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_00_SF3_HCT012&prodType=table)

<sup>5</sup> Census. *Estimated Median Gross Rent*. PolicyMap. [http://www.policymap.com/our-data-directory.html#Census:%20Decennial%20Census%20and%20American%20Community%20Survey%20\(ACS\)](http://www.policymap.com/our-data-directory.html#Census:%20Decennial%20Census%20and%20American%20Community%20Survey%20(ACS))

<sup>6</sup> U.S. Census Bureau; American Community Survey, 2010 American Community Survey 1-Year Estimates, Table B25063; generated by Cara Long Cora; using American FactFinder; ; (2 January 2020).

<sup>7</sup> Census. *Estimated number of households who own homes (by race), between 2014-2018*. PolicyMap

<sup>8</sup> Foreclosure Update: Signs of Progress, March 2019, Office of the New York State Comptroller

<sup>9</sup> New York Communities First, <https://www.nycommunitiesfirst.org/>

<sup>10</sup> United States Interagency Council on Homelessness. (2018) *New York Homelessness Statistics* <https://www.usich.gov/homelessness-statistics/ny/>

<sup>11</sup> National Alliance to End Homelessness. “Permanent Supportive Housing,” January 2019.

<https://endhomelessness.org/ending-homelessness/solutions/permanent-supportive-housing/>

<sup>12</sup> New York State Office of Temporary and Disability Assistance, Capital Program Unit, Homeless Housing and Assistance Program (HHAP). <http://otda.ny.gov/programs/housing/hhap.asp>

<sup>13</sup> Home Stability Support, “Overview,” January 2019.