



Habitat for Humanity – New York City Advocacy E-Newsletter
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1. Housing Covenant Update

Habitat-NYC and Pratt Center release report on 421-a

On April 11, Habitat for Humanity – New York City and the Pratt Center for Community Development released a report highlighting the excesses of the 421-a Property Tax Exemption Program, a tax break for housing developers that is now costing city taxpayers more than \$320 million a year while producing very little affordable housing. Mayor Bloomberg has convened a task force to study options for reforming the exemption, and it is likely that a reform will be put in place soon. Community groups in Brooklyn and Queens have continued to draw public attention to the problems with 421-a, staging protests at luxury developments that are receiving large tax giveaways through the 421-a program while providing no housing affordable to neighborhood residents.

Media coverage of the report has included articles in the *New York Times*, *Metro*, *Downtown Express*, *Tribeca Trib*, *Queens Ledger*, and a radio report on WNYC. An op-ed on 421-a by Roland Lewis, Habitat-NYC's Executive Director, was published in the *New York Times* on April 16.

Click here to read the report, "Reforming New York City's 421-a Property Tax Exemption Program: Subsidize Affordable Homes, Not Luxury Development":

http://www.habitatnyc.org/pdf/advocate/421a_Report.pdf

Click here to read the *New York Times* op-ed by Habitat-NYC's Executive Director:

<http://www.nytimes.com/2006/04/16/opinion/nyregionopinions/16Cllewis.html>

Click here to tell Mayor Bloomberg that you want your tax dollars to support affordable housing, not luxury developers! A suggested letter is included.

<http://capwiz.com/habitatnyc/issues/alert/?alertid=8595576>

2. City Housing News

Public housing residents face rent increases

As Congress continues to debate the president's proposal for further cuts to the public housing budget, the New York City Housing Authority announced that it will raise rents for 27% of its low-income tenants in order to meet its operating expenses. The rent increases will affect 47,000 of NYCHA's 175,000 households, whose incomes — though higher than other public housing residents' — begin at just \$19,800 a year. Rents will increase by as much as 40% for the highest-income residents.

Public housing residents pay no more than 30% of their income in rent. In addition, NYCHA maintains an overall rent ceiling that allows higher-income residents to pay a smaller percentage of their income — a policy meant to encourage upwardly mobile families to stay in public housing. Those families will be the ones most affected by this increase in rent ceilings.

NYCHA's funding difficulties have arisen over several years of rising operating costs and federal budget cuts. The federal government provides about half of NYCHA's operating funds; tenant rents provide 40%, and the rest comes from tenant fees and other sources. NYCHA has been able to avoid raising rents for several years by drawing on its reserve funds, which are now almost exhausted. Now, the 417,000 low-income New Yorkers who live in public housing will be forced to bear the burden of these budget cuts, through these rent increases and new fees for amenities and services, which NYCHA raised in March.

New York Times article

<http://www.nytimes.com/2006/04/21/nyregion/21housing.html>

Victory for the Fix it Now campaign: Banks agree to hold landlords accountable for unsafe housing conditions

For the past several months, Housing Here and Now's "Fix it Now!" campaign has worked to draw attention to hazardous housing conditions and put pressure on landlords who allow their buildings to deteriorate. In April, the effort to ensure safe building conditions gained two powerful allies when New York Community Bank and Citibank both agreed to revise their mortgage lending protocols, instituting a policy of reviewing documentation of code violations at the buildings whose mortgages they hold. As mortgage lenders, the banks have a powerful enforcement mechanism to hold landlords accountable and ensure that violations are corrected.

4. State Housing News

New affordable housing initiative in Nassau County

Nassau County executive Thomas Suozzi recently made news by proposing a new mixed-income housing development on county-owned land in the wealthy community of Garden City. In discussing the need for more affordable housing on Long Island, Suozzi has frequently referred to the ideas of "workforce housing" and "next-generation housing" — emphasizing that even high-income areas need affordable housing, so that local employees and residents' children are not pushed out of the towns where they live and work.

New York Times article

<http://www.nytimes.com/2006/05/09/nyregion/09suozzi.html>

5. Federal Housing News

Federal budget for FY 2007 still under debate in Congress

As of May 11, the House is set to resume consideration of its fiscal year 2007 budget resolution (H.Con.Res. 376), which will set the overall level of federal discretionary spending for next year and provide recommended — but not binding — funding levels for individual departments and programs. The budget resolution still includes cuts to crucial housing programs as well as cuts to education, health care, and many other areas.

Although the House has not yet passed a budget resolution, the House Appropriations Committee has submitted its proposal for distributing funds among its subcommittees, each of which handles appropriations for particular government functions. The subcommittee that handles appropriations for housing programs is the Transportation, Treasury, HUD, the Judiciary, and the District of Columbia subcommittee. In the preliminary allocation, that subcommittee received \$67.8 billion, almost \$200 million more than the president has requested for fiscal 2007 and more than \$3.5 billion above the 2006 funding level. The subcommittee will prepare an appropriations bill based on that preliminary allocation; the appropriations bill, which will set actual funding levels for federal housing programs in 2007, will be debated by the House in June.

The Center on Budget and Policy Priorities and National Low Income Housing Coalition are following ongoing developments in the budget debate:

<http://www.cbpp.org/3-29-06bud.htm>

<http://www.nlihc.org/mtm/mtm11-18.html#1>

6. Recent housing and homelessness research

Adjusting for housing costs raises New York's poverty level to nation's second-highest

“Poverty in California: Moving Beyond the Federal Measure,” Public Policy Institute of California
One of many criticisms of the federal poverty line is that it does not vary by geographic area, even though cost of living — including housing costs — vary dramatically between regions. This report presents a new measure of poverty at the state and county level that takes into account differences in housing costs. The new measure raises the estimate of poverty in New York significantly, because housing costs in New York are among the highest in the country. Adjusting for rental housing costs changes New York's poverty rate from 15% (according to the Census in 2004) to 16.7%, and takes it from the 10th-poorest state in the nation to the second-poorest, behind only Washington State.

Full report

<http://www.ppic.org/main/publication.asp?i=685>

New York Times article

<http://www.nytimes.com/2006/05/11/us/11poverty.html>

High cost of housing driving population out of New York

In another study underlining the impact of New York's high cost of housing, the Census Bureau recently released new research showing that housing costs are a primary factor for families who move from one state to another. According to the Census report on migration within the United States, an average of 211,000 more people moved out of the New York City metropolitan area than into it between 2000 and 2004. Although New York continues to receive a large number of immigrants from other countries, new immigrants are also beginning to leave New York at higher rates, moving to areas with lower housing costs.

New York Times article:

<http://www.nytimes.com/2006/04/20/us/20census.html>

New statistics on homeownership and housing vacancies

The Census Bureau has released data on residential vacancies and homeownership for the first quarter of 2006. Some highlights of the new data:

- Nationally, the rental vacancy rate is 9.5%, down slightly from last year but unchanged from last quarter. The vacancy rate in the Northeast is significantly lower, at 7.3%.
- The national homeownership rate is 68.5%, down from last quarter (69%) and last year (69.1%).
- The homeownership rate is sharply divided by income: 83.7% for families above the area median income, but just 52.4% for families below. Since 2002, the homeownership rate has risen slightly, but all of that increase has been for families above the area median income.
- Over the last three years, homeownership has risen slightly among Hispanic families but fallen slightly among black families.

Full report (PDF):

<http://www.census.gov/hhes/www/housing/hvs/qtr106/q106prss.pdf>

7. Upcoming events

May 20

Building Blocks of Success: Facing the Issues of Affordable Housing

A panel discussion on current issues in affordable housing. This workshop is part of the New York City Council Black, Latino and Asian Caucus's first annual Legislative Caucus Weekend.

11 a.m. - 12:30 p.m.

Pace University Student Union Lounge: One Pace Plaza (Park Row at Spruce Street, across from City Hall Park)

May 22

22nd Annual Interfaith Convocation and Overnight Vigil for Housing Justice

Organized by the Interfaith Assembly on Housing and Homelessness, this vigil will be the culmination of the "Season of Justice" campaign. Members of the faith community and housing advocates from all backgrounds will gather at the steps of City Hall for an all-night vigil, drawing attention to homelessness and housing issues and calling on city leaders to include more support for affordable housing in the city's budget.

7 p.m.

St. Paul's Chapel, Trinity Church: Broadway and Fulton Street

For updates and information on more “Season of Justice” events, please check the Interfaith Assembly’s Web site, <http://www.iahh.org/seasonofjustice>.

June 14

Housing Here and Now: Town Hall Meeting on Fair Rent Laws

Show your support for making the preservation of rent controls a top priority for New York’s next governor.

7-8:30 p.m.

St. Bartholomew’s Church: Park Avenue at 51st Street

**Habitat for Humanity – New York City transforms lives
and our city by uniting all New Yorkers around the
cause of decent, affordable housing for everyone.**