



Habitat for Humanity – New York City Advocacy E-Newsletter
January-February 2006 (Issue No. 14)

**NEWS ALERT: The President has proposed slashing the housing budget!
In this issue's Federal Housing News, we'll tell you what cuts are on the table.**

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1. 2006 Housing Covenant Update

Through postcards and online messages, members of Habitat for Humanity - New York City's Housing Justice Action Network have already started taking action on the initiatives in the 2006 Housing Covenant. By achieving these goals, we hope to advance the cause of housing justice in our city, state, and country, and move forward toward our ultimate goal of ensuring that every New Yorker has a safe, decent, affordable home.

The Housing Covenant initiatives for 2006 are:

*** City: Reform the 421-a Property Tax Exemption Program to Require Affordable Housing**

At present, in most of New York City, developers can receive a multi-year exemption from property taxes for any newly constructed housing, even if only market-rate or luxury housing is built. The only exception

is in parts of Manhattan, where developers must build a percentage of affordable housing in order to receive the tax break. This policy was created in the 1970s, when the City needed to give out property tax breaks to encourage the development of any housing at all. But housing market conditions have changed dramatically, and the City should reevaluate the practice of giving developers long-term property tax breaks for building market-rate housing in neighborhoods throughout the city. Instead, these tax exemptions should be targeted — as they are already in part of Manhattan — to encourage the creation of affordable units. Please join us in asking Mayor Bloomberg to use this tax exemption as a tool to build more affordable housing.

Follow this link to **take action now!** (<http://capwiz.com/habitatnyc/issues/alert/?alertid=8352071>)

*** State: Create a True New York State Housing Trust Fund**

As the federal government has diminished its support for affordable housing creation over the past 20 years, many states across the nation have filled this void by creating housing trust funds that are financed by state-generated, dedicated revenue sources. Although New York State faces a severe lack of affordable housing, it does not yet have a true housing trust fund. Please urge state officials to make the legislative changes required to create a true New York State Housing Trust Fund, to assist in the production of thousands more affordable housing units throughout the state.

Follow this link to **take action now!** (<http://capwiz.com/habitatnyc/issues/alert/?alertid=8349166>)

*** Federal: Reverse the Cuts to Federally Subsidized Housing Programs**

Section 8 housing vouchers and public housing have served as two of the most successful, cost-effective tools that New York City and the rest of the nation have for ending poverty and homelessness, yet the availability of both does not come close to meeting the need. Over the last several years, funding for these essential programs has been cut or remained stagnant, even as demand has grown, and waiting lists are now at least 8 years long. Please urge your representatives in Congress to preserve and enhance funding for Section 8 and public housing, to allow the thousands of New Yorkers living in poverty the opportunity to afford a better life.

Follow this link to **take action now!** (<http://capwiz.com/habitatnyc/issues/alert/?alertid=8351116>)

2. City Housing News

Update on Housing Stability Plus

Just over a year ago, the Bloomberg administration implemented a new housing voucher program that provides five years of rental assistance to families transitioning out of homelessness. Now, major problems in the program, Housing Stability Plus, are coming to a head.

In January, the first “step-down” in assistance takes effect, meaning that families who entered the program a year ago will be forced to pay 20% more of their rent than they did last year. This poses a serious problem for families because in order to remain eligible for the program, a family must remain on public assistance, therefore limiting their ability to work for additional income. According to the Department of Homeless Services, between December of 2004 and December of 2005, 5,064 Housing Stability Plus leases were signed. By the end of March 2006, hundreds of families will have to find a way to pay an additional 20% of their rent without jeopardizing the loss of their public assistance benefits.

How will families pay this increase in rent? Many families will find their rent skyrocketing by \$100 a month or more. Advocates have aggressively urged the city and state to create a work support component for the HSP program, allowing families receiving the subsidy to work and maintain their subsidy at the same time. The city had included this component in its initial proposal to the state, but the request was denied.

Roland Lewis, Executive Director of Habitat for Humanity - New York City, explained: “As builders, we know that a stable foundation is key to building a strong and lasting home. Likewise, a good foundation is essential to building a successful housing assistance program. We urge the city and state to put Housing Stability Plus on solid footing by ending the annual 20 percent decrease, crafting more flexible time limits and creating incentives – not disincentives – to financial independence.”

Focus on the Budget: New York City

Mayor Bloomberg recently announced his proposed budget for fiscal year 2007, which begins in July. The mayor’s fiscally conservative budget included few new initiatives, but it put \$2 billion toward affordable housing production in fiscal 2007, a sizable portion of the \$7.5 billion that he has pledged toward constructing and preserving 165,000 units of affordable housing by 2013.

Read about the mayor’s budget in the Gotham Gazette:

<http://www.gothamgazette.com/article/issueoftheweek/20060206/200/1751>

Read a summary from the mayor’s office:

<http://www.nyc.gov/html/om/html/2006a/pr033-06.html>

Housing Affordability Crisis Grows

The city’s housing affordability crisis is worsening, according to initial findings of the 2005 New York City Housing and Vacancy Survey. The survey, conducted every three years, analyzes income and housing in the city. Some of the report’s key findings are:

- More than half of NYC families live in housing that is unaffordable at their income levels. Half of all households spend at least 31.2% of their income on rent and utilities, up from 28.6% in 2002. The standard for affordability is 30% of monthly income.
- In 2005, 28.8% of renters paid more than half their income on rent, up from 25.5% in 2002.
- Since 2002, the median monthly gross rent in NYC (rent and utilities) has increased from \$788 to \$920.
- The city’s rental vacancy rate is 3.09%, slightly up from 2002 but still within the definition of a housing crisis, which is a 5% vacancy rate.
- Real income (income adjusted for inflation) fell by 6.3 percent from 2001 to 2004, while rent increased by more than 5 percent.

The full report is available here:

<http://www.nyc.gov/html/hpd/downloads/pdf/2005-Housing-and-vacancy-survey-initial-findings.pdf>

Preliminary results released for FY 2006 Mayor’s Management Report

On Feb. 9, Mayor Bloomberg released the preliminary results of the Mayor’s Management Report for fiscal year 2006. The report gives an annual assessment of each city agency’s progress in meeting its objectives under new and ongoing initiatives. It includes these statistics for the Department of Housing Preservation and Development and the Department of Homeless Services:

- New housing starts financed under the New Housing Marketplace plan were ahead of schedule. The city’s new target is to have started construction on 15,099 units by the end of fiscal 2006, which is an increase from its original target of 14,824 units.
- The average daily shelter census decreased from 2004 to 2005, and fewer families and single adults entered the shelter system for the first time between July and October 2005 than did during the

same time period in 2004. More homeless single adults, but fewer homeless families, were successfully placed in permanent housing.

Read the report at:

http://www.nyc.gov/html/ops/html/mmr/mmr_sub.shtml

3. State Housing News

Focus on the Budget: New York State

Governor Pataki announced his state budget plan in mid-January. It included these items relating to housing and homelessness:

- The budget includes an unprecedented \$7.7 million to begin implementing the New York/New York III agreement between the city and state, which will produce 9,000 units of supportive housing over the next 10 years.
- The budget also includes a \$500 heating fuel tax credit for low-income seniors.
- However, the governor's budget did not include a promised cost-of-living adjustment for providers of supportive housing, which had been promised by Mayor Bloomberg but required funding from the state.
- Also missing was funding for a work support component for the Housing Stability Plus program, so that formerly homeless families receiving rental assistance under the program do not lose their eligibility as they move from welfare to work.
- The budget also failed to fund the Supportive Housing for Families and Young Adults program and Supplemental Homelessness Intervention Program, which provides services to help homeless or at-risk families find permanent housing and avoid becoming homeless.

The governor's press release and a summary of the budget are available here:

<http://www.state.ny.us/governor/press/06/0117061.html>

4. Federal Housing News

Focus on the Budget

President's budget would slash housing programs

The President's proposed budget for 2007 includes cuts to many programs that serve low- and middle-income families, including those related to housing, homelessness and community development.

- Total funding for the Department of Housing and Urban Development would be cut from its fiscal year 2006 level by \$600 million. According to the administration's own budget documents, the proposed funding level is \$4.2 billion less than what would be needed to provide the same level of services as in 2005.
- Funding for public housing would be cut; funding for operating expenses would be frozen and critically needed funding for capital expenses would be cut by \$261 million. The HOPE VI program, which funds revitalization and demolition of severely distressed public housing, would be eliminated entirely. This is the sixth year in a row that the administration has proposed cutting funding for public housing.

- The Section 8 Housing Choice Voucher program would see a 3% funding increase — enough to keep the program operating at the same level as in fiscal year 2006, but still below 2004 funding levels.
- HUD's homeless assistance programs would receive a funding increase of \$209 million.
- Section 202 housing assistance for low-income senior citizens would be cut by 26%.
- Section 515 housing assistance for low-income disabled people would be cut by 50%.
- Formula grants under the Community Development Block Grant program would be cut by 20%. This means a loss of \$1.15 billion in funding for programs to create economic opportunity in low-income communities across the country, including programs to develop affordable housing, revitalize neighborhoods, and promote job growth. Programs in New York State alone received \$400 billion in CDBG funding in fiscal year 2006, which the president has proposed cutting by more than \$70 million in 2007. Programs in New York City receive \$185.5 million in 2006 and would be cut by almost \$37 million.

In the coming months, we'll tell you what you can do to fight these cuts! Check for updates at our action alerts page: <http://capwiz.com/habitatnyc/issues/?style=D>

The Center on Budget and Policy Priorities has released a preliminary analysis of the President's budget proposal, available here: <http://www.cbpp.org/2-6-06bud.htm>

The National Low Income Housing Coalition summarizes what the President's proposal would mean for housing programs: <http://www.nlihc.org/news/020906.html>

Senator Hillary Rodham Clinton spoke out against the proposed CDBG cuts. Her office has prepared a chart of how the budget cuts would affect cities and counties throughout New York State: <http://www.clinton.senate.gov/documents/news/cdbg.pdf>

House passes budget reconciliation bill, cutting social programs

On Feb. 1, the House passed the long-debated budget reconciliation bill by just two votes, 216-214. The final version of the bill will cut \$39.5 billion from social programs, including Medicaid, student loans, TANF, and Upfront grants, which are used to preserve HUD-assisted housing.

Read more about Upfront grants and the effort to preserve them at the National Housing Trust's Web site: http://www.nhtinc.org/pub_pol_leg.asp#upfront_grants

5. Recent housing and homelessness research

Housing Vacancies and Homeownership, 4th Quarter, 2005
 U.S. Census Bureau
 January 2006

The Census Bureau released new data on housing vacancy and homeownership rates across the United States for the fourth quarter of 2005. The data shows few significant changes over the last year. The

national homeownership rate stands at 69%, the same as a year ago, and the national rental housing vacancy rate remains stable at just under 10%.

- Vacancy rates are lower in cities (9.4%) and in the Northeast (6.7%), although few areas can compare with New York City's crisis-level 3% vacancy rate.
- Homeownership for black families fell slightly, from 49% at the end of 2004 to 48% at the end of 2005; homeownership among black families remains far below the homeownership rate for white families.

The Census Bureau's press release is available here:

<http://www.census.gov/hhes/www/housing/hvs/qtr405/q405prss.pdf>

The full results of the survey can be accessed at the Census Bureau's Web site:

<http://www.census.gov/hhes/www/housing/hvs/qtr405/q405ind.html>

The Health of Homeless Adults in New York City

**NYC Department of Health and Mental Hygiene and Department of Homeless Services
December 2005**

This was the first in-depth study of the health of the city's homeless adults, and its results were alarming. It revealed that homeless adults who use the single adult shelter system die at twice the rate of the general population, and adults using the family shelter system have a death rate 50% higher than the general population's. Substance abuse and HIV/AIDS accounted for fully one-third of the deaths among users of the single adult shelter system; HIV/AIDS was the leading cause of death for women using the single adult shelter system. Homeless adults were significantly more likely than the general population to be diagnosed with HIV and tuberculosis; they were hospitalized at a higher rate and had longer stays in the hospital. And between 2001 and 2003, 17 homeless adults froze to death on the city streets.

The full report can be accessed here:

<http://www.nyc.gov/html/doh/downloads/pdf/epi/epi-homeless-200512.pdf>

A Dream Denied: The Criminalization of Homelessness in U.S. Cities

**National Coalition for the Homelessness and National Law Center on Homelessness and Poverty
January 2006**

New York City ranks 14th on a new list of the top 20 "meanest cities" for homeless people. The list is part of a report on cities' efforts over the past 25 years to use laws and law enforcement strategies to target homeless people. These strategies include laws against sleeping in public spaces, selective enforcement of laws against loitering, and strict penalties for panhandling or begging. According to the report's authors, arrests of homeless people in New York have increased dramatically under Mayor Bloomberg, and homeless people are also targeted by the police department's crackdown on minor crimes including street peddling and fare-beating on buses.

The full report is available here:

<http://www.nationalhomeless.org/publications/crimreport/index.html>

Pulling Apart: A State-by-State Analysis of Income Trends

**Economic Policy Institute and Center for Budget and Policy Priorities
January 2006**

The income gap between rich and poor in New York State is worse than in any other state in the country, according to this study of nationwide and state-by-state income disparities. In New York during the 2000s,

the average income of the richest 20% of families was more than eight times as much as the average income of the poorest 20%. New York also experienced the second-greatest increase in income inequality between the 1980s and 2000s: the poorest 20% of families saw their incomes grow by an average of only \$1,901, while the richest 20% saw an average \$104,927 increase.

The full report is available here:

http://www.epi.org/content.cfm/studies_pulling_apart_2006

6. Upcoming events

February 27-28

Washington, D.C.

National Low Income Housing Coalition's Annual Policy Conference and Lobby Day

The conference will feature workshops on a variety of current issues in housing policy, a session on post-hurricane affordable housing policies, and a day of lobbying on Capitol Hill by individual groups and state coalitions.

More information and registration are available at the NLIHC Web site:

<https://www.nlihc.org/conference.html>

February-April

Poverty in the Pew, Parish, and Pulpit, presented by Union Theological Seminary's Poverty Initiative and Ministerial Formation Caucus

This series of seminars on mobilizing faith communities to work for social justice is open to the public, but please RSVP at poverty@uts.columbia.edu.

Upcoming topics include:

Is there no Balm in Gilead?

Monday, Feb. 20, 6:30-8:30 PM

Inequity in the health care system is and continues to be an increasingly problematic issue in our country. How do we understand and advocate for a more just health care system?

You Have Called Me Teacher, but I Have Called You Friend

Monday, Mar. 6, 6:30-8:30 PM

How can issues of economic injustice be addressed in a classroom or educational setting? What pedagogical tools are affective for these purposes?

Just Games or Just Games?

Monday, Mar. 20, 6:30-8:30 PM

What is a poverty mapping? How does a poverty banquet work? Come to learn about, share, evaluate different activities for use in a congregational setting to raise awareness about these issues.

**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.**