



Habitat for Humanity – New York City Advocacy E-Newsletter
June 2006 (Issue No. 17)

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1. Housing Covenant Update

Victory in HUD appropriations bill: House votes to restore funding to Section 8

On June 14, the House of Representatives passed the appropriations bill allocating funds for fiscal year 2007 to the Department of Housing and Urban Development. During debate, the House voted 243-187 for an amendment to restore \$70 million in funding for Section 8 housing vouchers. The amendment was sponsored by Rep. Jerrold Nadler and cosponsored by Rep. Nydia Velazquez, both from New York City. Funding was also restored to housing assistance programs for seniors and the disabled.

Many thanks to our Housing Justice Action Network members who called your representatives as the Nadler amendment was under consideration! Your expressions of support make a difference in securing the future of Section 8, public housing, and other vital programs that help low-income families afford decent housing.

Click here to learn more about these housing assistance programs and to write to your representatives <http://capwiz.com/habitatnyc/issues/alert/?alertid=8351116>

Debate over 421-a exemption reaches the state legislature

While the city considers options for reforming the 421-a property tax exemption, the debate has also begun at the state level. The 421-a tax exemption, created in the 1970s to foster new housing construction in a depressed market, is now severely out of date. Its cost is skyrocketing, and it is unnecessarily subsidizing luxury development while failing to provide a significant amount of affordable housing.

The future of the 421-a exemption will soon come up for debate in the State Assembly and State Senate, so now is the time to make sure your legislators know that reform is urgently needed. The exemption is set to expire at the end of 2007, so the coming year will likely see a debate as the Assembly and State Senate consider whether to reauthorize the exemption.

Please ask your Assemblymember and State Senator to make sure the exemption is not extended unless it is significantly reformed -- our tax dollars should be subsidizing affordable homes, not luxury developments!

Click here to write to your state representatives

<http://capwiz.com/habitatnyc/issues/alert/?alertid=8877071>

Click here to write to Mayor Bloomberg

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

2. City Housing News

Debate over NYCHA's budget

Public debate continues over the policy changes proposed by the New York City Public Housing Authority (NYCHA) in its plan to fill its growing budget deficit. NYCHA's "Plan to Preserve Public Housing," released in April, included increases in tenant rents; higher fees for parking, household appliances, and other services; and a controversial proposal to redirect some funds for the Section 8 program to pay for public housing, as well as a \$100 million transitional aid package from the city.

NYCHA faces a \$168 million deficit in 2006 alone; its funding difficulties have arisen over several years of rising operating costs and budget cuts. Although federal budget cuts have accounted for most of the decline, the city and state governments have also eliminated their subsidies to NYCHA over the last decade. Currently, the federal government provides about half of the public housing operating budget; tenant rents provide 40%, and the rest comes from tenant fees and other sources. NYCHA operates both public housing and Section 8, which primarily takes the form of rental assistance vouchers that enable low-income families to pay affordable rents for market-rate apartments.

Tenants, advocates and public officials have voiced strong opposition to the plan and called on the city and state to restore their contributions to NYCHA's budget, so that low-income families do not have to bear the burden of the cuts. In the budget agreement reached this week, the city gave an additional \$20 million to NYCHA, which will free up funding for 3,000 more Section 8 vouchers.

The NYC Independent Budget Office (IBO) evaluated NYCHA's plan, documenting the decline in subsidies from the city and state as well as the impact of the proposals to raise rents and divert funding for Section 8 vouchers. The IBO's projections indicate that even if adopted, the plan would not entirely solve NYCHA's budget problems.

IBO report

<http://ibo.nyc.ny.us/iboreports/NYCHAjune06.pdf>

New York Times article, "Coalition Protests Rise in Public Housing Rents"

<http://www.nytimes.com/2006/05/24/nyregion/24housing.html>

Thousands of affordable units threatened as Mitchell-Lama and Section 8 subsidies expire

Reports from the Community Service Society and the NYC Comptroller document a rapid loss in subsidized apartments for low and middle-income families over the last 15 years. Nearly one-quarter of the

120,000 apartments in the Mitchell-Lama, project-based Section 8, and federal mortgage subsidy programs lost their rent-regulated status between 1990 and 2005, and an additional 13% are now under threat of losing their subsidies. The Mitchell-Lama program, which provided tax-exempt financing for below-market-rent apartments during the 1960s and 1970s, is experiencing the steepest decline: it lost 34% of its units between 1990 and 2005. These losses are largely occurring as landlords “buy out” of the program: After 20 years in the program, landlords can prepay their buildings’ mortgages and are no longer subject to rent limits.

The loss of these affordable units more than outweighs the impact of the new affordable housing that is being built under the mayor’s “New Housing Marketplace” plan. With no new affordable units being created through these programs, preserving the existing units must be a crucial component of the city’s plan to make more affordable housing available.

Community Service Society report, “Closing the Door” (PDF)

http://www.cssny.org/pdfs/ClosingTheDoor_Brief.pdf

Community Service Society fact sheet (PDF)

http://www.cssny.org/pdfs/ClosingTheDoor_Facts.pdf

Comptroller’s report (PDF)

http://www.comptroller.nyc.gov/bureaus/opm/reports/may25-06_affordablenomore.pdf

New York Times article

<http://www.nytimes.com/2006/05/27/nyregion/27housing.html>

Tenants protest as Rent Guidelines Board sets increases for rent-stabilized apartments

After a series of public meetings, the Rent Guidelines Board voted to set the maximum allowable rent increases for rent-stabilized apartments at 4.25% for one-year leases and 7.25% for two-year leases. Tenant groups filled the hearing rooms to protest the rent increases during a time of declining incomes and rising costs of living. They also called for the repeal of the Urstadt Law and restoration of “home rule,” which would give control of citywide rent laws to the city rather than the state legislature. The tenant members of the Rent Guidelines Board attempted to introduce a resolution expressing the board’s support for home rule, but the resolution was voted down.

The rent increases, the largest since 2003, will apply to leases signed between October 2006 and September 2007. There are approximately one million rent-stabilized apartments in the city.

New York Times article

<http://www.nytimes.com/2006/06/28/nyregion/28rents.html>

Housing Stability Plus

The serious failings of Mayor Bloomberg’s new homelessness prevention program, Housing Stability Plus, are documented in this *Village Voice* feature article. Housing Stability Plus provides five years of rental assistance to homeless families. The level of assistance declines each year — 100% the first year, 80% the second, and so on — in order to help families make the transition to financial independence. However, families are also required to be receiving public assistance in order to qualify for any level of assistance under Housing Stability Plus. The “Catch-22” this rule creates can be seen now, as families move into the second year of the program. As their rental assistance declines, families are working more and increasing their income to be able to pay a larger share of the rent — but as their income rises, many are becoming

ineligible for public assistance, which also disqualifies them from Housing Stability Plus and has left many on the verge of eviction.

Village Voice article, “Out of the Shelter, Into the Fire”

<http://www.villagevoice.com/news/0625,demauxe,73594,5.html>

3. State Housing News

421-a bill introduced in state legislature

While the city considers options for reforming the 421-a property tax exemption, debate has also begun at the state level. State Assemblyman Vito Lopez has introduced a bill in the State Assembly that would allow developers to receive the multi-year tax exemption for new housing construction only if they include a percentage of affordable units on-site. Lopez’s bill would also require that buildings receiving the exemption pay their building service workers a living wage. A similar bill was introduced in the State Senate.

At a public hearing on June 8, Habitat-NYC Advocacy Associate Jon Furlong testified before representatives of the State Assembly on the need to reform the 421-a exemption. NYC Comptroller William Thompson, NYC Housing Commissioner Shaun Donovan, and representatives of the Pratt Center for Community Development, SEIU Local 32BJ and other groups also testified.

You can take action now by writing to your state representative about the need to reform 421-a: Our tax dollars should be subsidizing affordable housing, not luxury development!

Click here to write to your representatives

<http://capwiz.com/habitatnyc/issues/alert/?alertid=8877071>

Habitat-NYC’s testimony (PDF)

http://www.habitatnyc.org/pdf/advocate/State_Assembly_committee_testimony.pdf

Track the progress of the bill at the Housing Justice Action Center

<http://capwiz.com/habitatnyc/issues/bills/?type=ST>

Making affordable housing a priority for New York’s next governor

As the gubernatorial election continues to draw public and media attention across New York State, advocates are working to put housing issues front and center. Communities across New York State have a great need for decent, affordable housing, and creating more affordable housing should be an important part of each candidate’s plan for the state.

Housing First! coalition takes on statewide housing issues

On June 7, members of Housing First! adopted a statewide policy platform, calling on New York’s next governor to commit \$13 billion over the next 10 years to create and preserve at least 220,000 units of affordable housing across New York State. The platform promotes investment in a broad range of housing initiatives to address the varied housing issues faced by communities across the state — including creating affordable homeownership opportunities at all income levels, redeveloping blighted upstate cities, and providing housing for seniors and special-needs populations.

Housing First! represents a broad coalition of nonprofit and for-profit developers, community-based organizations, religious institutions, civic groups, businesses, banks and labor unions, brought together by the belief that the affordable housing crisis can be addressed through substantial, sustained, strategic public investment. Habitat for Humanity – New York City is an active member of the Housing First! coalition. With the New York State gubernatorial election approaching, members and supporters of Housing First! will be working to ensure that affordable housing is a major issue in the campaign and a top priority for New York's next governor. The state campaign will build on the tremendous success of the Housing First! citywide campaign, which was a driving force behind the city's expanded commitment to building and preserving affordable housing.

Housing Here and Now rally calls for “home rule” of city’s rent laws

At a town hall meeting on June 14, members of the coalition group Housing Here and Now rallied to demand the repeal of the “Urstadt Law,” which since 1971 has put the state legislature, not the City Council, in control of the city’s rent regulations. City Council Speaker Christine Quinn and Manhattan Borough President Scott Stringer spoke at the meeting, pledging their strong support for efforts to give back “home rule” of city rent laws to the City Council.

Pratt Center report urges next governor to restore support for affordable housing

The Pratt Center for Community Development has released a report that criticizes Governor Pataki for failing to support affordable housing during his 12 years in office. The report cites the lack of any significant initiative by Pataki to create or preserve affordable housing in New York State, despite a growing statewide need for affordable housing. It faults the governor for cutting capital spending on housing, weakening rent laws, and cutting support for affordable Mitchell-Lama housing and supportive housing for the mentally ill, as well as steering bond funding to campaign contributors. The report also received public attention for revealing that more than half of tax-free bonds issued by the state’s Housing Finance Agency have gone to support luxury housing, not affordable housing.

“Time for a Gut Rehab: How the Next Governor Can Rebuild New York State’s Affordable Housing Legacy”

<http://www.prattcenter.net/gut rehab.php>

Associated Press article

<http://www.nypost.com/news/regionalnews/64915.htm>

4. Federal Housing News

House passes housing appropriations bill for FY 2007

On June 14, the House of Representatives passed the appropriations bill allocating funds for fiscal year 2007 to the Department of Housing and Urban Development. The Senate will now consider the bill and put forward its own version.

During debate, the House voted 243-187 for an amendment to restore \$70 million in funding for Section 8 housing vouchers. The amendment was sponsored by Rep. Jerrold Nadler and cosponsored by Rep. Nydia Velazquez, both from New York City. Funding was also restored to housing assistance programs for seniors and the disabled.

Click here to read more about how housing programs fared in the final House bill (National Low Income Housing Coalition)

<http://www.nlihc.org/mtm/mtm11-24.html#1>

5. Recent housing and homelessness research

The State of the Nation's Housing 2006

Joint Center for Housing Studies, Harvard University

This annual report on housing includes detailed statistics on affordability, housing markets and demographic changes, giving particular attention to the problem of housing affordability. While housing production has increased, incomes have not increased to keep pace with rising house prices, creating widespread affordability problems. Between 2001 and 2004, the number of severely cost-burdened households — those spending more than half their incomes on housing costs — increased by 1.9 million, an increase of almost 14% in just three years. Currently, 15.6 million American households pay more than half their income for housing, and 35 million pay more than 30%. Low-income families, including 10 million working poor or near-poor families, are hit the hardest by falling wages and rising housing costs. Steep housing costs force these families to cut back on spending for other necessities, including food and medical care.

<http://www.jchs.harvard.edu/publications/markets/son2006/index.htm>

State of New York City's Housing and Neighborhoods, 2005

Furman Center for Real Estate and Urban Policy, New York University

The new edition of this annual report gives detailed information on neighborhood conditions and housing costs citywide and for each borough and community district, including some striking new statistics on the shortage of affordable housing in the city.

<http://www.law.nyu.edu/realestatecenter/publications/SOC2005.htm>

**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.**

This message was sent to members of Habitat for Humanity – New York City's Housing Justice Action Network. If you were forwarded this e-mail and would like to join our mailing list, please click here to sign up!

<http://capwiz.com/habitatnyc/mlm/signup/>