

**Testimony for Rachel Fee, New York Housing Conference
Committee on Housing & Buildings – Preliminary Budget Hearing**

March 14, 2022

My name is Rachel Fee. I am Executive Director of the New York Housing Conference (NYHC). I would like to thank the Committee Chair Councilmember Pierina Sanchez as well as the other members of the Housing and Buildings Committee for the opportunity to comment on the city's preliminary budget for housing.

NYHC is a nonprofit affordable housing policy and advocacy organization. As a broad-based coalition, our mission is to advance City, State and Federal policies and funding to support the development and preservation of decent and affordable housing for *all* New Yorkers.

New York City continues to face a longstanding housing crisis. Over [half](#) of households with incomes under \$50,000 are severely rent burdened. The number of people experiencing homelessness has increased under every recent mayor, with the shelter population increasing [16 percent](#) over the past ten years. In [December 2021](#), over 48,000 homeless people, including over 15,000 children, slept each night in New York City's main municipal shelter system.

This crisis has only been exacerbated by the COVID-19 pandemic, which worsened housing instability, increasing the rent burden of many more New Yorkers and putting them at risk of homelessness due to mounting arrears. The Emergency Rental Assistance Program (ERAP) has helped thousands of families pay rental arrears, but thousands are also left in limbo because there is not enough funding to meet the need. Many are at-risk of eviction.

Rents for some New Yorkers have [surged](#) at twice the national average and past prepandemic levels. At the same time low-income renters are facing new affordability challenges with inflation impacting their residual income while New York City's economic recovery [lags behind](#) other parts of the country.

We need housing investment that comes close to addressing the problem at scale rather than what is proposed in the Mayor's preliminary budget. United for Housing, a coalition of more than 90 organizations we are leading, has called for the city to double housing capital investment to \$4 billion per year, including \$2.5 billion per year for HPD and \$1.5 billion per year for NYCHA. During the campaign, Eric Adams [committed](#) to double housing spending to this level of funding, calling it "a smart ask," but in his preliminary budget [housing spending remains unchanged](#). Without a significant increase to the capital budget, NYC cannot build more deeply affordable housing to meet the growing need.

In addition to the budget, one of Mayor Adams first tasks will be drafting his own housing plan, which must commit to \$4 billion in capital investment. This plan must be equitable and require every council district to do its part if we hope to meaningfully address the need. We also hope Mayor Adams will take his time to develop the plan and include stakeholder input.

This level of funding is the minimum necessary. It will allow the city to improve and expand on efforts to build more affordable housing for the lowest income and homeless New Yorkers, preserve affordable housing that needs financing or repairs and expand the supply of affordable homeownership opportunities. Affordable housing [stimulates our economy](#). Every 100 units of affordable housing creates 120 construction jobs, 113 indirect and induced jobs, and \$45.9 million in direct, indirect, and induced economic spending. Over the long-term, after construction is completed, those units generate 4.5 permanent on-site jobs, 32 ongoing direct, indirect, and induced jobs, and \$10 million in sustained economic activity per year. It is a [prudent investment](#) to house New Yorkers, especially while NYC's bond rating remains strong and interest rates are relatively low.

We also want to express our concern over staffing levels at HPD and other housing-related agencies. Recent [IBO analysis](#) highlighted the understaffing issue citywide. Our analysis shows that this is affecting the agencies that address housing insecurity, which are all greatly understaffed. The Department of Housing Preservation and Development (HPD) has 334 fewer people on payroll than allowed under the budget – 15% under the budget. The Department of Homeless Services (DHS) has 118 fewer people on payroll than allowed under the budget. The Human Resources Administration (HRA), which handles many of the housing-related services, has 1,633 fewer people on payroll than allowed under the budget – 13% fewer positions than allowed. And the Department of City Planning (DCP) is 60 people short compared to their budget, short 18% of their budget.

Staffing shortages have real world impacts on New Yorkers by exacerbating our supply shortage and preventing people from being housed. At HPD this is slowing down housing development- new projects are not advancing and existing projects are stalling. This will have major impacts for affordable housing supply if it continues. For New Yorkers seeking access to affordable housing, there are also delays. The Citizens Housing and Planning Council (CHPC) for example, found that it already takes on average [430 days](#) from when residents begin applying to an affordable housing lottery for all the units to be filled. Staff shortages can exacerbate this process further.

Staff shortages are affecting re-housing and housing leasing for people experiencing homelessness. The Supportive Housing Network of New York (SHNNY) estimates there are [2,500](#) supportive apartments vacant while 8,000 eligible applicants in need are waiting. It is both devastating to those experiencing homelessness or housing insecurity and an insult to taxpayers when vacant units sit empty for prolonged periods of time. Addressing the staffing shortage should be a major priority of the administration and the City Council.

While the proposed 3% budget cut to HPD was relatively small, cutting 34 positions, this is worsening an ongoing issue and we must ensure that the cuts do not harm efforts to house New Yorkers. We call for HPD to be exempt from any budget cuts that will impact service delivery.

Again, I thank you for this opportunity to testify. NYHC looks forward to working with the Adam's administration on shaping the next housing plan and making sure agencies are staffed effectively to respond to NYC's affordable housing crisis.

Understaffing at HPD						
Actual Headcount Far Below What is Allowed Under the Budget						
	Unit of Appropriation	Starting Budget	Change	FY 2023 Appropriation	Actual Headcount Dec. 2021	Difference: Actual - Appropriation
001	Office of Administration	561	-14	547	477	-70
002	Office of Development	444	-15	429	339	-90
003	Rental Subsidy Programs	318		318	306	-12
004	Office of Housing Preservation	1,049	7	1,056	920	-136
006	Housing Maintenance and Sales	283	-12	271	245	-26
	Total	2,655	-34	2,621	2,287	-334
Source: NYHC Analysis of OMB Budget Documents						

Understaffing at DCP						
Actual Headcount Far Below What is Allowed Under the Budget						
	Unit of Appropriation	Starting Budget	Change	FY 2023 Appropriation	Actual Headcount Dec. 2021	Difference: Actual - Appropriation
001	Personal Services	309	-7	302	248	-54
003	Geographic Systems	30		30	24	-6
	Total	339	-7	332	272	-60
Source: NYHC Analysis of OMB Budget Documents						

Understaffing at HRA

Actual Headcount Far Below What is Allowed Under the Budget

		Starting		FY 2023	Actual	Difference:
	Unit of Appropriation	Budget	Change	Appropriation	Headcount Dec. 2021	Actual - Appropriation
201	Admin	4,570	-121	4,449	3,897	-552
203	Public Assistance	4,770	-548	4,222	3,946	-276
204	Medical Assistance	1,422		1,422	1,251	-171
205	Adult Services	2,007	-21	1,986	1,695	-291
207	Legal Services	56		56	24	-32
208	Home Energy	21		21	13	-8
209	Child Support	775		775	472	-303
Total		13,621	-690	12,931	11,298	-1,633

Source: NYHC Analysis of OMB Budget Documents

Understaffing at DHS

Actual Headcount Far Below What is Allowed Under the Budget

		Starting		FY 2023	Actual	Difference:
	Unit of Appropriation	Budget	Change	Appropriation	Headcount Dec. 2021	Actual - Appropriation
100	Shelter Intake and Program	1,667	-159	1,508	1,521	13
101	Admin	403		403	296	-107
102	Street Programs	81		81	57	-24
Total		2,151	-159	1,992	1,874	-118

Source: NYHC Analysis of OMB Budget Documents