

**Testimony of Rachel Fee, New York Housing Conference
Committee on Housing & Buildings – Oversight Hearing on
Vacancies and Assessing the Ongoing Need for Emergency
Rental Assistance Program.**

February 25, 2022

My name is Rachel Fee, I am the Executive Director of the New York Housing Conference (NYHC). I would like to thank the Committee Chair Councilmember Pierina Ana Sanchez as well as the other members of the Housing and Buildings Committee for the opportunity to comment on the ongoing need for emergency rental assistance.

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.

The COVID-19 pandemic has caused large-scale health and economic hardships on millions of Americans, including putting many at risk of losing their housing.

The federal government provided funding for rental assistance to the states in response to the COVID-19 pandemic, funding New York's \$2.3 billion Emergency Rental Assistance Program (ERAP), which has been a lifeline to households across the state. But the current need is far greater than the available funding without a major injection of funds and tens of thousands of households will not be served.

In December 2020, Congress provided \$25 billion for emergency rental assistance nationwide for Americans who lost income and fell behind on rental payments under the Consolidated Appropriations Act of 2021 (ERA1) and another \$21.55 billion under the American Rescue Plan Act in March 2021 (ERA2). **Because Treasury's allocation formula is based on total population, not based on a state's share of renters in arrears, New York has been shortchanged.**

The state is continuing to allocate federal ERAP funding. The state opened the emergency rental assistance portal last June and the Office of Temporary and Disability Assistance (OTDA) has received over 300,000 applications and obligated about \$2 billion in ERAP funding. The program has about an 85% approval rate, not including duplicates or subsidized tenants. When tenants are denied, it is usually due to incorrect paperwork and ineligibility. So far 116,968 applications have been paid out, worth about **\$1.5 billion** with an **average payment of \$12,500**.

There remain 42,524 households whose applications have been preliminarily approved and are waiting for landlord verification. When landlords whose tenants were provisionally approved don't respond to reasonable outreach efforts, the amount of rental assistance they would have received is set aside for 180 days. After that period, the assistance is recycled to another eligible applicant. Starting in November, about 31,000 180-day notices went out to landlords. No 180-day periods have been extinguished yet. About 13,000 notices received responses and applications are moving towards being resolved, leaving about 18,000 still outstanding. 15,500 applications from June, July & August have not been successfully matched to a landlord and until they do, OTDA cannot issue those payments. OTDA is working with community based organizations and landlord groups in addition to the contracted processing company, Guidehouse.

There is currently enough funding to pay out 165,000 applications received through the 21st of September. This leaves tens of thousands of households in New York state behind on their rent that will not be able to get assistance when the funding runs out unless the federal and state government act.

In the first round of reallocation of unspent funds, New York requested \$996 million but only received \$27 million. Last month, Governor Hochul requested another \$1.6 billion from the U.S. Treasury Department, including \$159 million for administrative costs. This includes about \$230 million in estimated need for about 80,000 subsidized housing tenants whose arrears cannot be addressed until all other applications have been considered. However, it is unlikely that New York will receive anywhere near enough to fulfill this request and the next opportunity for reallocations from Treasury will not come until the end of March.

New York state needs to find more funding for the ERAP program to help unassisted households. **We hope the City Council will support our ask that Governor Hochul and the Legislature use a portion of the \$2 billion of unused federal pandemic relief to support ERAP in this year's budget. The City Council should also support the proposed Housing Access Voucher Program (HAVP), which would provide rental assistance to homeless households and people facing eviction.**

There are actions the city can take to help households avoid evictions. The city can also fund additional rental assistance to keep people housed or leave homelessness. **United for Housing, a coalition of more than 90 organizations led by NYHC to develop consensus recommendations to fight the housing and homelessness crisis, called on the city to spend an additional \$200 million per year on rental assistance and we ask for the City Council's support.**

Many households will also benefit from short-term assistance, including one-shot deals to pay back rent. In order to help the greatest number of people, the city should remove the

requirement that households show a future ability to pay the rent, focusing instead on ensuring that people can stay in their homes.

We would also like to see the city continue to expedite the issuance and lease up of emergency housing vouchers (EHV). Included in the American Rescue Plan was an unprecedented \$5 billion investment in EHVs, enough for 70,000 vouchers nationwide. These vouchers are reserved for the most vulnerable households, those “(1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent the family’s homelessness or having high risk of housing instability.”

The New York City Housing Authority (NYCHA) and Department of Housing Preservation and Development (HPD) were allocated 5,738 and 2,050 vouchers respectively. **According to the Department of Housing and Urban Development’s (HUD) [EHV dashboard](#), as of February 23, 2022 NYCHA has only issued 1,479 and leased 304 vouchers and HPD has only issued 500 and leased 18 vouchers.**

Under ARP, if a PHA “fails to lease its authorized EHVs within a reasonable period of time, HUD may revoke and redistribute any unleased vouchers and associated funds to other public housing agencies.” As we quickly approach a year since ARP was passed, we are extremely worried that New York will be at risk of losing unused vouchers if lease ups do not ramp up soon. We cannot let this opportunity to place thousands of vulnerable New Yorkers in permanent housing pass us by.

Finally, the city must protect the budgets of agencies that will be involved in preventing evictions and homelessness with staff working on expanding affordable housing and providing and processing both current and expanded rental assistance. **We ask for Council support to ensure that budget cuts to HPD, NYCHA, Department of Homeless Services, and Human Resources Administration do not affect housing-related services.**