

Testimony of Brendan Cheney, New York Housing Conference

New York City Council Finance Committee  
Hearing on FY2023 Executive Budget

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Good morning. My name is Brendan Cheney. I am Director of Policy and Communications at the New York Housing Conference (NYHC). I would like to thank the Committee Chair Justin Brannan as well as the other members of the City Council Committee on Finance for the opportunity to testify about the 2023 executive budget.

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.

We are leading [United for Housing](#), a coalition of more than 90 organizations that developed consensus recommendations to address the housing and homelessness crisis. Our coalition was united that the city needs to increase investment in housing resources if we are to make meaningful progress fighting the crisis. In New York City more than 68,000 people experience homelessness on a given night and nearly 1 million people are rent burdened. The crisis is only getting worse and we are at an inflection point – with Mayor Eric Adams soon to outline a new direction in housing policy for the next eight years, we must set the stage to address the crisis now before it is too late.

Last year United for Housing called on the city to double housing investment to \$4 billion per year in capital spending, including \$2.5 billion for HPD and \$1.5 billion for NYCHA. We appreciate the City Council's support in the Council's budget response, in a press conference last month, and in Speaker Adrienne Adams's State of the City Speech.

Make no mistake – raising housing capital spending to \$4 billion per year is fiscally responsible while assisting thousands more New Yorkers. The city is currently well under the capital spending benchmark of debt service being no more than 15 percent of total taxes and it would remain under the benchmark with the added capital spending. It currently ranges from 10.3% to 13.3 percent. Raising spending as we have proposed would raise debt service to no more than 13.9 percent of total taxes by our calculation.

As a candidate, Mayor Eric Adams supported spending \$4 billion per year on housing capital, calling it a smart ask. But he has yet to deliver on that promise. Mayor Adams did increase housing capital spending by \$5 billion over ten years – roughly \$500 million more per year. This would mean roughly \$2.5 billion per year for housing capital total.

While we appreciate increases in housing spending, it is insufficient to meet the crisis. The increased funding for HPD - \$3.6 billion over ten years – will mostly cover rising interest rates and construction costs and will not generate additional units beyond what has been achieved in the past. The funding is also unfortunately backloaded – with roughly \$400 million per year in the first four years and \$560 million per year in the years 5-10. Given the nature of the crisis, we need to be more ambitious and increase spending now.

And the additional funding for NYHCA in Mayor Adams's budget is also insufficient. Residents in NYCHA are living with unsafe and unhealthy conditions. The authority needs \$40 billion in repairs and while there was optimism last summer that Build Back Better would provide needed funding, there is now little hope of the federal government coming to the rescue.

The mayor's executive budget plan proposes \$1.4 billion over ten years for NYHCA, which includes \$200 million in funding for Wyckoff and Gowanus houses agreed to in the Gowanus rezoning and \$1.2 billion in support for PACT projects.

However, the added funding for NYCHA will not assist any of the 110,000 units not slated for PACT. While the NYCHA Preservation Trust would assist these units, and we hope City Council members will support legislation in Albany for the trust, the city and state must do their part and provide more capital funding. We need everyone to contribute. We cannot afford to lose a single NYCHA unit and we must act now.

In order to address the crisis, we need a housing plan that can build units with deeper affordability to address homelessness and housing insecurity, can expand homeownership, and can preserve affordable housing for the next generation. The additional \$360 million per year for HPD (\$3.6 billion of the \$5 billion over ten years goes to HPD) will not cut it.

In order to do this, we must redouble our efforts by doubling our investment. Mayor Adams's plans to address homelessness so far have largely ignored the role that housing plays in ending homeless episodes. He needs to make affordable housing a bigger part of these plans and he will need to increase funding in order to accomplish that.

We also want to continue to sound the alarm about the staffing crisis at HPD and other agencies that address housing insecurity. We were relieved to hear HPD leadership address the issue in budget testimony highlighting important steps they are taking to bring on new staff quickly. However, there are further steps the city can do to hire and retain staff. Our recent [policy brief](#) looks at the causes and recommendations to address understaffing at HPD.

Our recommendations include increasing staff pay to compete with the private sector, decreasing bureaucratic oversight of hiring and promotions by OMB, which slows the process down and causes applicants and staff to leave, increasing workplace flexibility to compete with the private sector, and finding flexibility within and outside the civil service system. We hope the administration will consider our recommendations and continue to work quickly to add and retain staff at HPD so they can fully carry out their mission to add and preserve affordable housing.

This month we released the [New York City Housing Tracker](#), showing housing stats by City Council district, including affordable housing production over the past eight years. What we found was that we are not building enough affordable housing to meet the demand in any neighborhood and that housing production is not spread equitably across the city. All districts need to build more affordable housing, but some districts are not doing their fair share and need to increase efforts to add housing. We hope you will take a look at the tracker and see how the data supports the need for more affordable housing in all neighborhoods.