

February 19, 2021

The Honorable Andrew M. Cuomo
Governor of New York State
New York State Capitol Building
Albany, NY 12224

The Honorable Andrea Stewart-Cousins
Majority Leader
New York State Senate
Legislative Office Building, Room 907
Albany, NY 12247

The Honorable Carl E. Heastie
Speaker
New York State Assembly
Legislative Office Building, Room 932
Albany, NY 12248

Re: Establishment of an Affordable Housing Five-Year Capital Plan (S.2193/A.3807)

Governor Cuomo, Majority Leader Stewart-Cousins and Speaker Heastie,

We are writing on behalf of the undersigned organizations, which represent New York's leading advocates and experts related to affordable and supportive housing, to request that you affirm New York State's commitment to affordable and supportive housing by creating a new five-year affordable and supportive housing capital plan, effective immediately. Specifically, we ask that you enact legislation sponsored by Senator Brian Kavanagh and Assembly Member Steven Cymbrowitz (S.2193/A.3807) that would require the Governor to submit, every fifth year and as part of the Executive budget proposal, a statewide five-year capital plan for the development, preservation and capital improvement of affordable housing.

The need is urgent. Households in every community across New York continue to struggle with housing insecurity resulting from a statewide shortage of affordable and supportive housing. We are all too familiar with the harrowing statistics: nearly 3 million New York households allocate more than 30 percent of their income to housing costs and, of those, roughly half allocate more than 50 percent. The pandemic accelerated and worsened this crisis, with 1.3 million rental households at risk of eviction and 780,000 homeowners at risk of foreclosure. This situation is not economically sustainable. It is also a direct threat to our state's physical health, with the right to a safe, affordable home correlating to health outcomes, as the COVID-19 pandemic has made all too clear.

Fortunately, under your leadership, New York State has become a nationwide leader in addressing a crisis that does not end at New York's borders. Much of our progress resulted from the multi-year financial certainty that the 2017 implementation of a five-year housing plan provided to the housing community. That plan has thus far created 66,500 affordable units and a

commitment to 6,000 supportive housing units, materially bettering the lives of thousands of New Yorkers. Unfortunately, that initiative has now been fully appropriated – right when the continued production and preservation of affordable and supportive housing is needed most.

A new multi-year commitment is vital now because:

- 1) **It Has Minimal Short-Term Budget Impact:** Subsidies for affordable housing construction are financed via the capital budget with long-term bonds, imposing minimal costs on New York in the short-term. Specifically, a five-year, \$3 billion investment would increase New York's debt service by just \$17.3 million in year one and \$185.8 million in the fifth year, while producing a comparable number of units to that in the recent multi-year plan.
- 2) **It is Sound Fiscal Policy:** Robust capital spending during economic recessions results in a positive multiplier effect by maintaining jobs and generating tax revenue that combine to produce an economic stimulus. This shortens the length and reduces the severity of the recession.
- 3) **It Creates Jobs:** Housing spending itself is an economic stimulus, with every 100 units of affordable housing construction creating 120 construction jobs; 135 indirect and induced jobs; and \$43.5 million in direct, indirect, and induced economic spending. Over the long-term, after construction is completed, those units generate 4 permanent on-site jobs; 32 ongoing direct, indirect, and induced jobs; and \$8 million in sustained economic activity.
- 4) **Interest Rates are Low While Bond Ratings are High:** The 30-year Treasury Rate is 1.66 percent, nearly the lowest it has been in at least two decades, meaning that borrowing is cheap – reducing the cost of long-term investments. Moreover, New York's bond ratings remain strong, with GO Bonds and Personal Income Tax bonds rated AA+ by S&P and Fitch and Aa2 by Moody's.

Taken together and coupled with the severity and urgency of New York's longstanding affordable and supportive housing shortage, it is clear that a commitment to a new multi-year housing plan right now is both morally necessary and prudent policy. Codifying such action into the future will help lessen the severity of the crisis and best serve your constituents across New York, all of whom are counting on you to enact policies to increase access to the safe and affordable homes they deserve.

We would welcome the opportunity to meet with you and your staff to answer questions or explain our reasoning in more detail. We are confident that by working together, we can create the fairest and most affordable state possible.

The following organizations endorse this letter:

AARP New York
Center for NYC Neighborhoods

CSH

Enterprise Community Partners

LeadingAge New York

LISC NYC

LiveOn NY

New York Housing Conference

New York State Association for Affordable Housing

New York State Public Housing Authorities Directors Association

New York State Rural Advocates

Supportive Housing Network of New York

Rural Housing Coalition