

Testimony of Brendan Cheney, New York Housing Conference

**New York City Council Finance Committee
Hearing on FY2022 Executive Budget**

May 25, 2021

Good afternoon Chair Dromm and members of the finance committee. Thank you for the opportunity to testify about Mayor Bill de Blasio's fiscal year 2022 budget. I am Brendan Cheney, director of policy and communications at the New York Housing Conference. 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 testifying about the budget for the Department of Housing Preservation and Development. As you know, HPD is responsible for developing and preserving affordable housing as well as enforcing the city's housing code.

Last year at this time we strongly opposed the mayor's cuts to the housing capital budget. We were pleased when the mayor reversed course and restored the cuts in the fall and preliminary budgets. The executive budget has substantial housing capital funding, with \$1.4 billion or more allocated each year in the plan.

While the capital funding is robust, we are worried that the agency will not have the staffing they need to fully utilize the city funding and incoming federal resources. We understand that key units responsible for development and preservation financing; special needs housing; design and building review; and legal review within the Department are currently understaffed with between 20 – 35 percent of their staff positions vacant. We also understand that for every 2 vacancies at the agency, they will be allowed to fill 1 spot, an improvement from the previous 3:1 ratio, but still insufficient.

We are calling on the city to allow HPD to fill every vacancy and that all hiring should be expedited and approved as quickly as possible. If the agency is unable to fill vacant positions, including project managers that review the development and preservation deals, the agency will not be able to close deals sufficiently to meet production goals and may leave federal resources unspent.

New York City was in a housing crisis before the pandemic began, with extreme housing instability, which has only gotten worse during the pandemic. More than 900,000 households in NYC were rent burdened before the pandemic, paying more than 30 percent of their income in rent, including 460,000 that were severely rent burdened, paying more than 50 percent of their income in rent. Meanwhile, more than 1 million renter households are at risk of eviction statewide owing more than \$2 billion. Investing in housing is needed now more than ever to provide stable housing for New Yorkers. We also know that housing investment can spur economic recovery, as 100 units of affordable housing construction creates 230 jobs and \$46 million in economic activity, and the city, state and national economy need additional stimulus to recover from the recession.

Sufficient staffing at HPD is also necessary so that the agency is prepared to utilize federal resources for recovery, including expanding federal investment in housing and to combat homelessness. New York City has recently been

allocated almost 8,000 additional Section 8 vouchers in the federal American Rescue Plan Act (ARPA). Coordination between rental assistance and the housing plan will be critical to effectively utilizing these vouchers.

Filling vacancies now is also necessary to maintain sufficient staffing levels across HPD programs to ensure continuity between the current administration and New York City's next mayor. Without full staffing, the affordable housing pipeline can be disrupted leading to project delays and missed development opportunities.

The staff and leadership at HPD have been working hard to create and preserve record numbers of new housing units every year. Their ability to continue programs throughout the pandemic, even with reduced headcount and working remotely, has provided stability to the affordable housing pipeline and has demonstrated a commitment to New Yorkers in need of affordable housing during this time of crisis. With new federal resources coming in and significant city capital funding, the agency staff can only continue this record pace if the agency is sufficiently staffed to do the work.

Thank you for your time. If you have any questions, I can be reached at Brendan.cheney@thenyh.org.