

October 6, 2021

Honorable Kathy Hochul  
Governor of New York State  
New York State Capitol Building  
Albany, NY 12224

**Re: Establishment of a New Affordable Housing Five-Year Capital Plan**

Dear Governor Hochul,

We are writing on behalf of the undersigned organizations, which represent New York's leading housing advocates and experts, to request that you renew New York's commitment to affordable and supportive housing by creating a new five-year housing capital plan in the upcoming budget and legislative session. We also encourage you to sign into law a piece of legislation already passed by the Legislature (S2193/A3807) that would codify funding for a new five-year capital plan every fifth year thereafter.

We deeply appreciate your recognition of the worsening statewide housing crisis and applaud the many steps you have taken already as Governor to mitigate that crisis, but the need for greater action is urgent. The statistics are harrowing. More than half of New York renters spend more than 30 percent of their incomes on rent; of those, nearly one million spend more than 50 percent.<sup>i</sup> Since the pandemic, 22 percent of renters are now behind on rent and more than 1 million families face housing insecurity.<sup>ii</sup> And even before COVID-19, the state had a shortage of 609,225 extremely low-income homes.<sup>iii</sup>

A crisis of this magnitude requires bold action and leadership. It is critical that you both reinstitute a five-year capital plan beginning in 2022 and require New York to do so every fifth year. Doing so will provide predictability for the affordable and supportive housing industries, allowing them to maximize their ability to meet a growing need. The last five-year budget commitment that expired last year created 27,112 affordable and supportive units (as of March 31, 2021), materially bettering the lives of thousands of New Yorkers.

We respectfully submit that in order to be successful and fully match the level of need New York currently faces, a new five-year commitment must include:

1. **A substantial increase in affordable housing capital spending.** The economic downturn caused by the pandemic has left behind a dearth of activity and uncertainty in many market sectors. The stimulus that would be provided by a historic investment in housing construction and preservation alone would help breathe new life into our economy. Furthermore, the housing affordability and homelessness crisis is here and addressing it requires a concerted unified effort that begins with strong leadership from the state. We call for an increase in capital funding across the board, surpassing the last plan's investment to meet current needs. (We will follow up with recommendations for funding and programmatic details in the coming months.)

2. **A focus on key policy priorities.** From rural municipalities to downstate boroughs, housing needs vary from one community to another. The diversity of need and unique housing issues that face our state must be reflected in the investment strategy for mitigating those problems. The next five-year plan must build on affordable and supportive housing construction and preservation commitments and other funding categories that have been prioritized in the past: affordable rental housing; supportive housing; senior housing; public housing; rural housing; affordable homeownership; fair access to housing; environmental sustainability; and weatherization. Furthermore, emerging areas like electrification and digital equity that reflect the needs of today must also be included.

3. **Budget transparency.** For the sake of clarity and accountability, the state should regularly publish spending data that breaks down capital funds at the programmatic level, just as the capital budget allocation displays commitments.

These investments are not only the best tools we have to protect vulnerable New Yorkers and end chronic homelessness, they are also fiscally responsible.

Affordable housing subsidies are largely funded in the capital budget with long-term bonds paid back through debt service. As a result, costs in the short term are minimal. Furthermore, with a still historically low 30-year treasury rate of 1.9 percent and New York personal income tax and general obligation bonds rated at AA+ (S&P and Fitch) and Aa2 (Moody's), it is sound economics to invest in affordable housing at this time.

This spending is also an economic stimulus and investment, 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.<sup>iv</sup>

The pandemic has highlighted the importance of housing in keeping New Yorkers healthy, as housing insecurity and homelessness increase viral spread and mortality.<sup>v</sup> A five-year plan – especially one that is codified – will mitigate current and future public health crises, provide needed economic stimulus, and create a healthier New York.

We would welcome the opportunity to meet with you and/or members of your staff to answer questions or explain our reasoning in detail. We are confident that by working together, we can provide affordable and supportive housing to all New Yorkers in need and create the fairest, safest, and most affordable state possible.

Sincerely,



Rachel Fee  
Executive Director  
New York Housing Conference

In partnership with the following organizations:

Citizens Housing and Planning Council

Corporation for Supportive Housing (CSH)  
Community Preservation Corporation (CPC)  
Enterprise Community Partners  
Habitat for Humanity NYC and Westchester County  
Leading Age New York  
LiveOn NY  
Local Initiatives Support Corporation New York City (LISC NYC)  
New York State Association for Affordable Housing (NYSFAFH)  
New York Housing Conference  
New York State Public Housing Authorities Directors Association (NYSPHADA)  
New York State Rural Advocates  
Supportive Housing Network of New York (SHNNY)  
Rural Housing Coalition of New York

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

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

Honorable Brian Kavanagh  
Chairman, Senate Housing Committee  
Legislative Office Building, Room 512  
Albany, NY 12247

Honorable Steven H. Cymbrowitz  
Chairman, Assembly Housing Committee  
Legislative Office Building, Room 943  
Albany, NY 12248

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<sup>i</sup> <https://nlihc.org/resource/new-research-indicates-evictions-increase-covid-19-cases-and-deaths>

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<sup>ii</sup> <https://www.osc.state.ny.us/reports/osdc/new-york-state-rent-relief-funding-spotlight-new-york-city>

<sup>iii</sup> <https://nlihc.org/housing-needs-by-state/new-york>

<sup>iv</sup> <http://24cekndak1x120m2a2tln95l-wpengine.netdna-ssl.com/wp-content/uploads/2021/02/Five-Year-Housing-Plan-Letter-Final.pdf>

<sup>v</sup> [https://www.jchs.harvard.edu/ARH\\_2017\\_cost\\_burdens\\_by\\_state\\_total](https://www.jchs.harvard.edu/ARH_2017_cost_burdens_by_state_total)