

**Testimony for Rachel Fee, New York Housing Conference Assembly Standing Committee on  
Housing Public Hearing on the State Budget Implementation for Housing**  
October 27, 2021

My name is Rachel Fee. I am Executive Director of the New York Housing Conference (NYHC). I would like to thank the Committee Chair Cymbrowitz as well as the other members of the Legislature for the opportunity to testify.

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.

During this pandemic, New York has led the country in terms of renter protections that have far surpassed those of other states and the now defunct federal moratorium. We thank members of this committee for your leadership in establishing these protections. While off to a slow and difficult start, ERAP has resulted in immense improvements in our states ability to get necessary aid to tenants and landlords, and we hope progress will continue.

The pandemic has exacerbated housing insecurity for many renters and created financial challenges for many homeowners and residential building owners. Across the country, house prices are on the rise. Single family home prices in New York have risen by 17.2 percent from 2020 to 2021, and 27.3 percent over the last five years.<sup>i</sup> After a dip in rent prices during the pandemic, the median rent downstate is returning to pre-pandemic levels.<sup>ii iii</sup> Rents in New York City have increased 16 percent from 2020 to 2021.<sup>iv</sup> In our state, more than half of renters spend more than 30 percent of their income on rent; of those, nearly one million spend more than 50 percent.<sup>v</sup> Amidst the pandemic, 22 percent of renters were behind on rent and more than 1 million families face housing insecurity.<sup>vi</sup> And even before COVID-19, the state had a shortage of 609,225 extremely low-income homes.<sup>vii</sup> According to the National Alliance to End Homelessness, 91,271 people experience homelessness in NY on any given night.<sup>viii</sup>

For low-income renters, this housing crisis is not new. It is just worse.

As the statewide housing plan concludes, we believe an ongoing requirement for a 5-year capital plan for housing should be required. Assembly Bill 3807 codifies such a requirement and we urge Governor Hochul to receive and sign this bill.

We know that long-term capital planning works. While data regarding production and spending for the housing plan could be more transparent, what funding and production information HCR has provided has been promising. According to their data, 27,112 affordable and supportive units (as of March 31, 2021) have been created, materially bettering the lives of thousands of New Yorkers. We must renew and build upon this investment in the upcoming budget. While our state is still reeling from the economic, health and social impacts of the COVID-19 virus, isn't just doable but crucial to advance a new affordable housing plan.

For one, a new five-year plan will provide confidence to developers and investors, resulting in more consistency in affordable housing pipelines and acquisitions throughout the state. The development and financing of these crucial projects is a forward-looking process, our budgets should be as well. From a spending perspective, 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. For example, 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.<sup>ix</sup>

Furthermore, with a still historically low 30-year treasury rate of 2.09 percent<sup>x</sup> 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.<sup>xi</sup>

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 according to report commissioned by NYSAFAH. 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>xii</sup>

It is easy to see how effective a new five-year plan will be, however in order for it to be successful, the plan must fully match the level of need New York currently faces. That means a *substantial increase* in spending significantly surpassing the last plan's investment is required to meet current needs.

It also means maintaining the construction and preservation programs that work effectively while prioritizing funding categories that reflect the greatest need and incorporating any new emerging areas. From rural municipalities to downstate boroughs, housing needs vary from one community to another. While specific housing challenges may differ by region, the need for a new and robust commitment to affordable and supportive housing has never been greater. Our next plan must prioritize affordable rental and supportive housing construction and preservation; senior housing; public housing; rural housing and affordable homeownership, but also focus on the state's role in ensuring fair access to housing and environmental sustainability for New York residents. The state should also fully utilize tools at its disposal to support affordable housing such as zoning, tax and procurement policies in addition to prioritizing state-controlled land for housing development. We intend to examine needs and recommendations more thoroughly in an upcoming report in collaboration with many of our partners.

As you know, Washington is on the cusp of a historic investment package in our nation's infrastructure and in support of families. When we have more clarity on the final package for housing, this will factor into our more specific recommendations for NY State's next 5-year housing plan.

I look forward to answering any questions you have. Thank you for this opportunity to testify.

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<sup>i</sup> <https://fred.stlouisfed.org/series/SPCS20RSA#0>

<sup>ii</sup> <https://streeteasy.com/blog/data-dashboard/?agg=Median&metric=Asking%20Rent&type=Rentals&bedrooms=Any%20Bedrooms&property=Any%20Property%20Type&minDate=2010-01-01&maxDate=2021-08-01&area=Flatiron,Brooklyn%20Heights>

<sup>iii</sup> <https://www.apartmentlist.com/research/pandemic-pricing-is-over>

<sup>iv</sup> <https://www.apartmentlist.com/research/rents-are-rising-quickly-everywhere>

<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)

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

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

<sup>viii</sup> <https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-dashboards/?State=New%20York>

<sup>ix</sup> <http://thenyh.org/wp-content/uploads/2021/01/State-Five-Year-Housing-Plan-Policy-Brief-1.20.2021.pdf>

<sup>x</sup> <https://fred.stlouisfed.org/series/DGS30>

<sup>xi</sup> <https://bonds.ny.gov/bonds/BYNB-bondsCredit.html>

