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## Joint Testimony of the New York Housing Conference and New York State Association for Affordable Housing

### New York City Council Committee on General Welfare Oversight – Public Benefits Processing Delays at HRA.

Sep. 27, 2023

Good afternoon. We would like to thank Committee Chair Diana Ayala as well as the other members of the City Council Committee on General Welfare for the opportunity to testify.

New York Housing Conference 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.

The New York State Association for Affordable Housing (NYSFAFH) is a non-profit trade association representing the affordable housing industry in New York State. Our goal is to promote the development and preservation of affordable housing throughout the state by working with our members and partners in government to ensure that affordable housing is sustainable, cost-effective and meets the needs of communities.

We are testifying today to share how public benefits processing delays, particularly for cash assistance and one-shot assistance, is affecting affordable housing tenants and owners. Last spring we issued a report showing that in the nearly 50,000 units of affordable housing for which we collected data, 31% of tenants were in arrears of more than two months, each owing on average \$9,565. We are in the process of updating those numbers, but preliminary data shows that arrears are continuing to grow.

While many tenants have been aided by ERAP funding to help cover arrears accumulated during the pandemic, this funding has essentially been exhausted and HRA's one-shot emergency assistance is now the primary tool to keep tenants in their homes and prevent evictions. Due to processing delays, thousands of tenants remain behind in rent with applications pending review and are at risk of eviction.

We were part of a city-led working group to address tenant arrears in affordable and supportive housing. At first we were told that the backlog would be cleared by December. More recently HRA told us that their new goal is to have the backlog cleared by March of 2024.

We have asked HRA to include a priority and dedicated processing for tenants in affordable housing seeking one-shot assistance, but have been rebuffed. This is an unwise decision, putting tenants and affordable housing developments – both nonprofit and for-profit – at risk. Until the backlog is cleared, which is six months away at least, the city should ensure tenants and affordable housing providers have fast access to one-shot assistance.

The longer the delays continue, the more likely tenants are to be evicted. If they are evicted, many will end up in shelter, costing far more than the cost of a one-shot. And then the city will look for affordable housing to place these families in.

At the same time, as the arrears continue for affordable housing providers, their buildings are at financial risk. The arrears are so substantial that providers may have to cut back on operating costs, including maintenance, and are at risk of having negative operating income and negative cash flow.

We call on the city to prioritize affordable housing and have a dedicated servicing unit to protect both the tenants and the affordable housing stock. It would be a colossal waste of resources to spend money building affordable housing only to watch it fail financially due to arrears that the city could address with more efficient and targeted processing.