

Testimony of Brendan Cheney, New York Housing Conference

New York City Council Housing and Buildings Committee
Oversight Hearing- The 2023 Housing and Vacancy Survey

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Good afternoon. My name is Brendan Cheney, Director of Policy and Operations at the New York Housing Conference (NYHC). I would like to thank Chair Sanchez as well as the other members of the City Council Committee for the opportunity to testify today.

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.

Today we are testifying on the historic data released in the 2023 New York City Housing & Vacancy Survey and what it says about the urgent need for housing supply and rental assistance. The NYC Housing and Vacancy Survey is the most comprehensive snapshot of our city's housing stock and population available. It is an invaluable tool for advocates, academics and policy makers who want to see a more equitable city where safe, affordable housing is accessible to all.

The HVS clearly shows that NYC continues to face a housing emergency that warrants the continuation of rent stabilization laws. It also highlights the urgency of meeting a growing need for additional housing supply and calls for solutions to alarming rent burdens shouldered by low income renters who would greatly benefit from access to affordable homes and/or rental assistance.

The HVS survey revealed an alarmingly low 1.4% vacancy rate for rentals in 2023 – the lowest since 1968. Even though there was a net increase of about 61,000 units since 2021, the market remained extremely tight due to the long-term housing shortage and increased demand. Since 2021, the city added 275,000 new households.

To meet statewide demand, New York State needs to build over [800,000 housing units](#) during the next decade to address current needs and meet expected population and job growth, according to the Regional Plan Association. The City alone will need 500,000 new housing units.

When supply of housing doesn't meet the demand, renters are forced to compete for the same limited number of apartments. This drives up costs and creates an even greater power imbalance between renter and landlord.

It also disproportionately impacts the lowest income renters where the market is tightest and the need greatest. For example, the vacancy rate for units renting for less than \$1,100 was just 0.39%.

As a result, low-income households are disproportionately rent burdened, housing insecure and have less residential mobility. The HVS revealed that virtually all renter households earning under \$25,000 are rent burdened and 86% of them pay more than half of their income on housing. And renter households earning less than \$70,000 had a median rent-to-income ratio of 54%. This means the typical renter in NYC was paying more than half of their income on housing.

In addition, housing instability is growing. The number of residential warrants issued and marshall evictions carried out tripled from 2022 to 2023. Additional data showed that not only do lower-income renters have less ability to move from their current apartments, but when they do move, that unit often rents to higher income households.

The most recent data also showed a significant increase in the median income of renters from \$50,000 in 2021 to \$70,000 in 2023. This was driven by big changes in the city's population which now has more higher income households and fewer lower income households. Households earning \$100,000 or more increased by 11% while the number of households in the city at the lower incomes decreased.

The grim findings of the 2023 HVS show that New York must both increase housing supply and assist renters in need right now.

We know lack of affordable housing is the primary driver of homelessness and it is the lowest income, rent burdened households who are most at risk of joining the more than 145,000 individuals experiencing homelessness in NYC. At the city, state and federal level we must all fight for more funding for affordable housing construction and preservation and funding for rental assistance. At the state level, this means supporting the proposed Housing Access Voucher Program. It also makes expansion of CityFHEPS as critical policy intervention.

We are supportive of the City of Yes for Housing Opportunity framework to address zoning barriers to housing production citywide and to build a little more housing in every neighborhood. Housing production, especially affordable housing production, is not shared equitably across the city. According to our data in our New York City Housing Tracker, from 2014 – 2022, 16 City Council districts produced more than 2,000 units of new affordable housing while 17 districts produced fewer than 400 units over that time. We encourage the members of the City Council to support City of Yes zoning reforms that will ensure housing is built in every neighborhood.

A new as-of-right rental tax abatement is necessary to incentivize rental housing production with an affordable housing requirement. Without a rental tax incentive, rental housing production is likely to

plummet, and NYC's zoning authority will be undermined, making Mandatory Inclusionary Housing unworkable. A rental tax incentive will help to add housing across the city but it is especially effective in creating affordable housing opportunity in high-cost neighborhoods. We hope to see a 421-a replacement that complements the city's Mandatory Inclusionary Housing Program and requires affordable housing with rents that are actually affordable to low-income New Yorkers.

The lack of housing supply overall is affecting our efforts for low income households. Insufficient supply makes it difficult for households with rental assistance to find housing. A third of households were unsuccessful in using their voucher to lease an apartment in New York City in 2021.

In an extremely tight housing market like this one, tenant protections are necessary. State legislation in 2019 to improve tenant protections increased stability for renter households. However, HTSPA should be reformed to better encourage investment in stabilized housing and allow for adequate rent increases to cover costs. While we support reforming the Individual Apartment Improvements rules, we oppose changes that would jeopardize affordability across the rent stabilized stock and bring back incentives to push out tenants.

The scale of the housing affordability crisis is staggering. One change will not be enough. We must enact multiple changes at different levels of government if we are to truly address the crisis.

Thank you for this opportunity to testify.