NEW YORK IIII

March 11, 2025

Senator Charles Schumer Rep. Nicholas LaLota Rep. Andrew Garbarino Rep. Thomas Suozzi Rep. Laura Gillen Rep. Gregory Meeks Rep. Grace Meng Rep. Nydia Velazquez Rep. Hakeem Jeffries Rep. Chris Jacobs Senator Kirsten Gillibrand Rep. Yvette Clarke Rep. Daniel Goldman Rep. Nicole Malliotakis Rep. Jerrold Nadler Rep. Adriano Espaillat Rep. Alexandria Ocasio-Cortez Rep. Ritchie Torres Rep. George Latimer Rep. Timothy Kennedy

Rep. Michael Lawler Rep. Patrick Ryan Rep. Josh Riley Rep. Paul Tonko Rep. Elise Stefanik Rep. John Mannion Rep. Nick Langworthy Rep. Claudia Tenney Rep. Joseph Morrelle

Dear Members of the New York Congressional Delegation,

The New York Housing Conference and the undersigned organizations and elected officials write to urge you to protect and expand federal housing resources that are crucial to keeping constituents all over this state stably housed – including U.S. Department of Housing and Urban Development (HUD) programs and the Low-Income Housing Tax Credit (LIHTC). We are also deeply concerned by efforts from DOGE and the administration to bypass Congress, impound appropriated funds and their plans to eliminate half of HUD staff which will hobble the agency, severely impacting program delivery and hurting HUD's partners in real estate, community development and lending- but ultimately these actions will be most harmful to renters and homeowners relying on HUD programs.

For example, the Office of Community Planning and Development is slated to be reduced by 786 workers (84%), impacting CoC homeless grants, HOME and CDBG creating housing instability for the most vulnerable renters including the formerly homeless. A reduction of 765 staff in Public and Indian Housing would impact Section 9 public housing and Section 8 vouchers, having a destabilizing effect on a program reliant on the participation of private market landlords. The reduction of 1,114 staff (44%) proposed for the Office of Housing will impact management of project-based rental assistance, HUD-assisted housing, RAD and the Federal Housing Administration (FHA). Cuts to FHA will disrupt the entire housing industry by stalling loan originations and servicing and threatening the viability of affordable housing transactions. Early moves from DOGE are already delaying projects and creating an environment of uncertainty for lenders and investors. This Congress and Administration were elected by voters who were overwhelmingly motivated by economic concerns. However, while housing costs are the main driver of inflation and a household's greatest expense, we have seen no meaningful federal action to lower housing costs. In the meantime, the affordable housing crisis is worsening by the day, driving up homelessness and creating a mounting cost burden for families in every state. The nationwide housing shortage is estimated to have reached <u>4.5 million</u> homes. Nowhere in the country can a full-time minimum-wage worker afford a <u>two-bedroom rental</u>. In New York, renters need to make almost \$45 per hour to afford a two-bedroom rental - \$53 per hour if they live in the New York City Metro Area. And in every <u>single region</u> across New York state, more than 40 percent of renters are cost burdened – paying at least 30% of their income on rent.

Federal tools are the most important resource for maintaining housing stability and financing new affordable housing in this country and they must continue to play a key role in solving our housing crisis. HUD programs already keep <u>1,069,400 New Yorkers</u> stably housed, including over 1 million living in cities and suburbs, and over 50,000 in rural areas and small towns. They primarily serve seniors on fixed incomes, people with disabilities, and low-income working families in your districts – all of whom will be at risk of homelessness if these programs are not adequately funded and staffed. This includes Section 8 tenant and project based rental assistance, public housing programs, supportive housing for the elderly and people with disabilities, McKinney-Vento, and Housing Opportunities for Persons with AIDS. Programs such as the Community Development Block Grant, the HOME Investment Partnership and the Housing Trust Fund help add affordable housing supply but each of the HUD programs address critical local housing needs. As Congress looks to finalize a FY25 budget and beyond, the New York Delegation must not only reject calls to cut HUD programs and staff that would disproportionately impact your constituents, but seek the highest level of funding possible to ensure they continue to remain viable.

Further, tax negotiations present Congress with the opportunity to unlock vital financing for affordable housing developments that will produce and preserve high-quality, below-market-rate homes for years to come. Since its creation, the LIHTC program has built or preserved 4 million homes. In New York, it's financed over 270,000 homes to serve 635,000 low-income families, supported over 460,000 jobs and generated billions of dollars in <u>economic activity and tax revenue</u>.

Congress should exempt affordable housing from state volume cap of tax-exempt private activity bonds for the next decade to turbo charge affordable housing production by passing the <u>ASAP Housing Act</u>. Any tax package must at minimum:

- 1. Lower the "50 percent test" to 25 percent to decrease the amount of tax-exempt private activity bonds (PABs) needed to access the 4 percent Housing Credit and
- 2. Extend the 12.5 percent increase to the 9 percent Housing Credit that was allowed to expire.

These simple tax modifications are a direct pipeline toward creating a more robust housing safety net for the millions of households across the country struggling to keep a roof over their heads. They also enjoy bipartisan support as provisions of the <u>Affordable Housing Credit</u> <u>Improvement Act</u>, which has 273 bipartisan co-sponsors in the U.S. House and 35 in the Senate. A version of these reforms was also passed by the House in the bipartisan Tax Relief for American Families and Workers Act just last year.

The elimination of tax-exempt private activity bonds is being considered on a list of potential "pay-for" proposals in a budget reconciliation bill. Eliminating this crucial tool is shortsighted and would only exacerbate the affordability crisis for working families all over this country.

Congress must continue to invest in affordable housing if we ever hope to address the housing crisis at scale. We need both immediate assistance for low-income New Yorkers and long-term solutions for greater creation and preservation of affordable housing projects, which will not only address the affordable housing crisis but create jobs and boost economic vitality in the process. We urge you to protect and expand federal housing resources.

Sincerely,

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Rachel Fee Executive Director, New York Housing Conference

In partnership with the undersigned organizations and elected officials:

New York City Comptroller Brad Lander New York City Public Advocate Jumaane Williams New York State Senator Liz Krueger New York State Senator Rachel May New York State Senator Zellnor Myrie New York State Assembly Housing Chair Linda Rosenthal New York State Assemblymember Khaleel Anderson New York State Assemblymember Noah Burroughs New York State Assemblymember Robert Carroll New York State Assemblymember Jessica Gonzalez-Rojas New York State Assemblymember Judy Griffin New York State Assemblymember Paula Kay New York State Assemblymember Micah Lasher New York State Assemblymember Grace Lee New York State Assemblymember Steven Raga New York State Assemblymember MaryJane Shimsky New York State Assemblymember Michaelle Solages New York State Assemblymember Phara Souffrant Forrest New York State Assemblymember Claire Valdez New York City Council Housing Chair Pierina Sanchez New York City Councilmember Erik Bottcher New York City Councilmember Farah Louis New York City Councilmember Vickie Paladino ACMH, Inc. Affordable Homeownership Foundation Inc. Albany Housing Coalition, Inc. Alembic Community Development ANHD Ardent Construction & Dev Inc. Ascendant Neighborhood Development Corporation Better Community Neighborhoods, Inc. (BCNI) **Breaking Ground Bronx Pro Group** Building Blocks Together Dev Corp. The Building & Realty Institute of Westchester CAMBA/CAMBA Housing Ventures **Camber Property Group** Center for NYC Neighborhoods Chhaya Community Development Corporation Christ Church UCC - Bronx Multi-Faith Advisory Group

Citizens' Housing and Planning Council CJA Business Advisers LLC Columbia Opportunities, Inc. Community League of the Heights, Inc CLOTH The Community Preservation Corporation Community Service Society of New York Comunilife Curtis + Ginsberg Architects LLP Dattner Architects **Douglaston Development Essence Development** Fifth Avenue Committee **FLACRA Forsyth Street Advisors** Geel Community Services, Inc. **Goddard Riverside Gotham Organization** Habitat for Humanity New York City and Westchester County HANAC The Health & Housing Consortium HeartShare Human Services of New York HeartShare St. Vincent Services Hirschen Singer & Epstein LLP Homeless Services United Hope Community, Inc Housing Action Council Interfaith Assembly on Homelessness and Housing Joy Construction K2New Business Development and Marketing Strategy **Kinetic Communities Consulting Corporation** Leviticus 25:23 Alternative Fund, Inc. L+M Development Partners Lynn P Anderson Co. MBD Community Housing Corp. Milestone Development LLC

Milestone Companies

Neighborhood Coalition for Shelter, Inc.

Neighborhood Preservation Coalition NYS

Neighborhood Restore HDFC

New Destiny Housing

Newman Design Architects PLLC

New York State Association for Affordable Housing (NYSAFAH)

New York State Council of Churches

The NRP Group

NYAH Advisors, LLC

OBRA Architects

Project Hospitality

Real Estate Board of New York (REBNY)

Regional Plan Association

RiseBoro Community Partnership

Settlement Housing Fund, Inc.

SKA Marin

St. Augustine Presbyterian Church

St. Francis Friends of the Poor

St. Nicks Alliance

Supportive Housing Network of New York

UAI

UHAB

University Neighborhood Housing Program

Vecino Group

VIP Community Services

Volunteers of America-Greater New York

WellLife Network Inc.

West Side Federation for Senior and Supportive Housing

Win

YWCA Binghamton & Broome County

Cc: Senator Mike Crapo, Chair, Committee on Finance

Senator Ron Wyden, Ranking Member, Committee on Finance

Senator Tim Scott, Chair, Committee on Banking, Housing and Urban Affairs

Senator Elizabeth Warren, Ranking Member, Committee on Banking, Housing and Urban Affairs

Rep. Jason Smith, Chair, Ways and Means Committee
Rep. Richard Neal, Ranking Member, Ways and Means Committee
Scott Turner, Secretary, U.S. Department of Housing and Urban Development
Scott Bessent, Secretary, U.S. Department of the Treasury