



NYHC | 588 Broadway, Suite 1208, New York, NY 10012 | 718-587-0866 | www.thenyh.org

[INSERT DATE]

Dear New York State Senators and Assembly Members:

We are writing to urge you to include in the FY2027 budget, the Affordable Housing Income Limit Compliance Bill, legislation that allows affordable housing with a state or city agency regulatory agreement to adjust rents for vacant units to align with the current year's area median income (AMI) indicated in their regulatory agreement and set by the US Dept of Housing & Urban Development (HUD).

Affordable housing financed by New York State and New York City housing agencies limits rents through regulatory agreements, establishing household income limits. Area Median Income (AMI) and the associated rent levels are used to underwrite projects for long term financial stability. However, rapidly rising expenses like insurance combined with decreased rent collections lingering from the pandemic have led to many affordable housing projects experiencing operating deficits. Enterprise Community Partners reviewed data on 428 Low Income Housing Tax Credit projects (LIHTC) statewide, totaling 37,130 units, and found 57% have negative cash flow. This can lead to a downward spiral of deferred maintenance and, in worst-case scenarios, default or foreclosure on the underlying loans.

While turnover in affordable housing is very low, this legislation will help boost rental income as vacancies occur over time and combined with other policy measures; it can help affordable housing buildings achieve financial stability, without any impact on existing tenants.

We urge you to support this legislative solution to provide more financial security to affordable housing projects, while achieving full compliance with the income-restricted rents by AMI in governing regulatory agreements.

Sincerely,

CC: Senate Majority Leader Andrea Stuart-Cousins; Assembly Speaker Carl E. Heastie; Housing Committee Chairs Senator Brian Kavanagh, Assemblymember Linda Rosenthal; Senate Finance Committee Chair Liz Krueger and Assembly Ways and Means Committee Chair, Gary Pretlow