

TO: Mayor Bill de Blasio  
FROM: Jatnna Ramirez  
RE: New York City's Housing  
DATE: March 28<sup>th</sup>, 2017

## **New York City's Housing Memorandum**

New York City is home to more than 8 million people. The city is diverse, energetic and vibrant. Every year over 50 million visitors admire the city's lights and skyscrapers. However, many of the city's residents worry about the cost of their rent while attempting to provide a stable home for their families. Poor-working class and middle class New York City residents struggle to keep up with rising rent. The lack of affordable of rent is harming New York City in multiple ways. It is crucial to not only be aware of this problem but to understand its root causes and impacts.

### **Part I – New York City Housing Crisis**

According to a report from the New York City Housing Preservation and Development agency, 56% of New York City residents are struggling to pay their rent. 56% of renters spend more than 33% of their monthly income on rent. On average, New Yorkers are paying about \$300 more than they can afford on rent on a monthly basis. This report from 2014 also found that “three in ten renter households in the City are severely rent-burdened.” This means that they spend 60% or more of their income on rent.<sup>1</sup> These figures are stark and the implications of this reality are devastating for the families represented in these statistics and for the city at large.

Spending more than half of their income on rent, means these New Yorkers have very little left to pay other bills such as medical/insurance bills, internet, phone service and even food. It is also nearly impossible to save money for unexpected expenses. This reality pushes the people of New York City to live in crowded homes. A 2015 report from the Office of the New York City Comptroller titled *Hidden Households*, revealed that over one million people live in overcrowded apartments - defined as more the 1.5 person per room. According to this report, since 2005, the number of overcrowded homes have risen significantly and there is no sign that this trend is changing. Moreover, *Hidden Households* outlines the devastating impact for those living in overcrowded homes as well as the most impacted demographics.<sup>2</sup>

A wide range of research and studies have demonstrated the negative impact of crowded homes and health. *Hidden Household* reinforced these already known facts. Crowded homes are prone to spread infectious diseases. They are also known to foster asthma provoking environments and trigger mental and emotional health issues. Furthermore, crowded living conditions present serious safety hazards. The report states that crowding is linked to “increased fire and safety hazards, sometimes due to illegally constructed room partitions that limit egress and impede the movement of firefighters in emergency situations.” The health and safety hazards of crowded living poses an immediate threat to residents of crowded homes but it also has negative impacts on the safety and health of city residents at large.<sup>3</sup>

With over 1 million New Yorkers exposed to higher health risks and thousands of households facing fire hazards, this adds financial stress to the city. This also means that the situation is uncontrollable and must be addressed as a policy issue. Racial minorities and immigrant families are at the forefront of this crisis. Moreover, overcrowded homes have a disproportionate impact on children, who make up 40% of the residents living in crowded homes. A study from the journal of Social Science Research said that “Children raised in crowded homes may take their educational, behavioral and physical health disadvantages with them throughout their lives.”<sup>4</sup> Crowded living conditions impacts a child's ability to rest, study and also hurts their cognitive development. The consequences of housing policy, extend to safety, health, child development and education.

In addition to overcrowded homes, unaffordable rent also leads to homelessness. Research on homelessness shows that the “primary cause of homelessness, particularly among families, is lack of affordable housing.”<sup>5</sup> The homeless population in New York City is on the rise. As of December of 2016, the homeless population reached over 60 thousand people, including 24 thousand children. African-Americans and Latinos are disproportionately affected by the homeless crisis. African-Americans represents about 58% of NYC’s homeless, while Latinos represent 31%. This racial disparity shows the need to understand the racial implications of homelessness.<sup>6</sup>

A national report from the United States Department of Education indicates that this trend is true when looking at the population of homeless youth. This report also showed the educational impact of homelessness. This report linked youth homelessness to high absenteeism, behavioral issues, low-performance, and low graduation rates. Other reports have also linked youth homelessness to high rates of substance abuse, violent behavior and criminal activity. The data on homelessness, as associated to lack of affordable housing, demonstrates that there’s is pressing need for a policy solution. The United States Department of Education, as well state and city education agencies, recognized the impact of overcrowded homes and homelessness in students. They have created systems to support these students. However, the efforts of education agencies only address the symptoms.<sup>7</sup>

New York City has a responsibility to tackle the housing crisis at its root causes. Unaffordable housing causes financial stress for over 1 million New Yorkers. It leads to crowded living conditions, health problems, safety hazards and homelessness. This creates unstable and unhealthy families and a big financial burden for the city. Hence, it is imperative that the research and studies available is used to understand the root causes, impacts and possible policy solutions to this problem.

## **PART II - Solutions**

Although the challenge at hand is immense, viable solutions exist. Some, such as legal services for the poorest tenants facing eviction or harassment from landlords are already being implemented.<sup>8</sup> Part II of this memo discusses three feasible and effective policy solutions that

will aid the city's affordable housing crisis through prevention and immediate response. These solutions focus on 1) a Living Wage 2) Affordability and 3) Rapid Assistance

## **1. Living Wage**

A leading contributor to homelessness is a lack of financial resources. Although unemployment certainly worsens poverty levels, it is not the only cause. Chronically low-wages are a major contributing factor to poverty in America. An analysis of 2013-2014 employment and poverty data revealed that despite economic recovery and declining unemployment rates, poverty rates remained high.<sup>9</sup> People work, yet they remain in poverty. Covenant House, an organization that tackles youth homelessness, points to the gap between the minimum wage and living wage as “one of the leading causes of homelessness among young adults in America today” because “despite having a job, many do not make enough money to pay the bills. And without savings or family support, these kids often end up on the streets.”<sup>10</sup> Although incremental increases to the minimum wage will raise wages in NYC to \$15.00/ hour by 2018 many will remain poverty.

A more sustainable solution for the city's working poor is a strong living wage law that is enforced across all sectors of the economy, which must include home service workers. Such a law should include a comprehensive education component to inform workers of their rights, as well as effective and non-discriminatory systems to raise claims against violators. A living wage sets higher standards. Minimum wage starts with the assumption that you are looking for the lowest possible amount to pay workers. On the other hand, a living wage aims to pay workers enough to live decently. Additionally, because living wages focuses on standards of living, it will discourage companies from arbitrarily increasing the price of the essential goods and services because as these prices go up, workers' salaries will rise accordingly. Finally, the living wage should be calculated and regulated every three years.

## **2. Affordability**

New York City has already created a plan to maintain and create affordable housing. The plan, which aims to “build or preserve nearly 200,000 affordable units” over the course of 10 years.<sup>11</sup> The plan is simply not enough. In 2014, 1.5 million applicants but only 2500 tenants won new apartments.<sup>12</sup> The need is too high. Moreover, rigid eligibility requirements leave too many people out of this plan. The poorest New Yorkers do not qualify for most available units. Others surpass the income limit even though they are burdened by the cost of rent. The city must expand the affordable housing plan to meet the needs of lower-income residents, especially since they are the most susceptible to homelessness.

Creating new housing, is a limited solution; the construction of new housing is expensive and space in the city is limited. Rent control and rent stabilization must be part of the solution by increasing the number units that fall under the programs protection. Today, rent-control apartments account for less than 2% of the housing market while rent stabilized apartments represent almost half. Rent controlled apartments are rapidly disappearing. Over 2 million rent controlled

apartments existed in the 1950s. In 2015, there were only 27,000 rent-controlled units left. In order to combat the housing crisis, rent-control must be revitalized and rent-stabilization must be protected and expanded. The existing rent-control law was created to be unsustainable. Only apartment buildings built before 1947 with continuous occupation since 1971 qualify for this program.<sup>13</sup> I recommend altering the policy to protect apartment buildings that have been continuously occupied since 1981, instead of 1971. These two programs can save thousands of families from homelessness, living in overcrowded conditions and unstable financial conditions.

### **3. Rapid Assistance**

Policy solutions that aim to prevent homelessness and overcrowded living conditions, are best. However, recognizing that they take time to implement, it is also important to implement strong policy solutions that can aid families and individuals that are confronting homelessness now or in the near future.

#### ***Housing First***

Housing First is a sustainable approach to addressing homelessness that has already proven to be effective. It can help prevent homelessness as well as overcrowded living conditions by giving tenants tangible options to address their housing issues. Housing works has been implemented in a few different cities with slight variations among the programs. The Housing First approach helps families and individuals to quickly find permanent housing, and provides other social services such as therapy and coaching as needed and wanted.<sup>14</sup>

Unlike other government assistance programs, Housing First offers, but does not require, people to sign up for drug or alcohol services or job placement as a pre-condition. However, where it has been put in place, most people who need these services use them. Moreover, evidence shows that voluntary programs are more effective than programs with strict requirements. According to the Center on Budget and Policy Priorities “voluntary employment programs can significantly increase earnings and employment for very disadvantaged individuals without the negative consequences associated with mandatory work requirements.”<sup>15</sup>

In Utah Housing First helped reduce Utah’s “chronically-homeless population by 72 percent between 2005 and 2014.” State officials, such as the Director of Housing and Community Development say that giving people a permanent place to live helped Utah reach a functional zero of chronically homeless people. Housing First is not an inexpensive solution but it is a sustainable one. It is an investment that will prevent many of the issues, as well as the expenses, that accompany people facing homelessness. It provides a stable home where people can take care of their basic necessities; take a shower, prepare food, and have their belongings, makes a great deal of differences. For families with children, it means children no longer have to constantly switch schools, or suffer the effects of crowding conditions.<sup>16</sup>

## ***Emergency Subsidies***

For low-income earners, a lost of income or a family emergency such as death or sudden medical condition, can be difference between affording rent or risking eviction. Receiving a temporary subsidy from the government to help cover rent during difficult times can prevent families and individuals from entering the shelter system or having to move into a crowded apartment with relatives or friends. Such subsidies can prevent the damage caused to families when they lose their homes, belongings, and stability.

## **Conclusion**

New York's city housing crisis has reached peak levels in recent years. Every night over 20 thousand children sleep in the New York City shelter system; their lives interrupted and distorted by unstable and poor living conditions. Important efforts to change this reality are already underway. But more can and must be done. We must focus on preventative measures such as passing living wage laws and increasing the number of apartments protected by rent-control and rent-stabilization laws. This will target the leading causes of homelessness. We must also implement policy to help those who are at risk of homelessness. Rapidly accessing permanent housing, as well as emergency rent subsidies can save people from entering the shelter system, which is extremely difficult to escape. These are effective and feasible solutions to solve New York City's affordable housing crisis.

I want to thank you for your time and consideration to this matter. Designing and implementing a successful policy solution to address this urgent matter will be a massive endeavor. It will require a lot of time and collaboration with stakeholders - landlords, New York City residents, legislators etc. - as well as policy experts. It is my hope to be part of this effort.

## Endnotes

---

<sup>1</sup> NYC Housing Preservation and Development. *Survey Data Show More Than Half Of New York City Renters Are Struggling With Rent-Burden, Paying More Than One Third Of Their Income On Rent And Utilities* <http://www1.nyc.gov/site/hpd/about/press-releases/2015/02/24.page> (2015).

<sup>2</sup> Office of the New York City Comptroller. *Hidden Households*. [https://comptroller.nyc.gov/wp-content/uploads/documents/Hidden\\_Households.pdf](https://comptroller.nyc.gov/wp-content/uploads/documents/Hidden_Households.pdf) (2015).

<sup>3</sup> Office of the New York City Comptroller. *Hidden Households*. [https://comptroller.nyc.gov/wp-content/uploads/documents/Hidden\\_Households.pdf](https://comptroller.nyc.gov/wp-content/uploads/documents/Hidden_Households.pdf) (2015).

<sup>4</sup> Claudia D. Solari and Robert D. Mare. Social Science Research. *Housing Crowding Effects on Children's Wellbeing*. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3805127/> (2013).

<sup>5</sup> Coalition for the Homeless. *City Efforts Show Early Progress, but State Must Work with City to Combat Record Homelessness*. <http://www.coalitionforthehomeless.org/the-catastrophe-of-homelessness/state-of-the-homeless/>

<sup>6</sup> Coalition for the Homeless. *City Efforts Show Early Progress, but State Must Work with City to Combat Record Homelessness*. <http://www.coalitionforthehomeless.org/the-catastrophe-of-homelessness/state-of-the-homeless/>

<sup>7</sup> United State Department of Education. *Supporting the Success of Homeless Children & Youth* <https://www2.ed.gov/policy/elsec/leg/essa/160315ehcyfactsheet072716.pdf> (2016).

<sup>8</sup> Silver-Greenberg, Jessica. *For Tenants Facing Eviction, New York May Guarantee a Lawyer*. New York Times. [https://www.nytimes.com/2016/09/27/nyregion/legal-aid-tenants-in-new-york-housing-court.html?\\_r=0](https://www.nytimes.com/2016/09/27/nyregion/legal-aid-tenants-in-new-york-housing-court.html?_r=0) (September 26, 2016).

<sup>9</sup> National Alliance to End Homelessness. *The State of Homelessness in America 2016*. <http://www.endhomelessness.org/library/entry/SOH2016>. (April 6, 2016).

<sup>10</sup> Covenant House; *Opening the Door for Homeless Youth. Living Wages*. <https://www.covenanthouse.org/homeless-teen-issues/living-wages>. (Accessed; March 23rd 2017).

<sup>11</sup> NYC.GOV. *Housing New York*. [http://www1.nyc.gov/assets/housing/downloads/pdf/housing\\_plan.pdf](http://www1.nyc.gov/assets/housing/downloads/pdf/housing_plan.pdf). (Accessed; March 17th 2017).

<sup>12</sup> Navarro, Mireya. *Long Lines, and Odds for New York's Subsidized Housing Lotteries*. New York Times. <https://www.nytimes.com/2015/01/30/nyregion/long-lines-and-low-odds-for-new-yorks-subsidized-housing-lotteries.html> (January 29th 2015).

<sup>13</sup> Navarro, Mireya. *Facing Increase, Rent-Controlled Tenants Complain of Being Singled Out*. New York Times. <https://www.nytimes.com/2016/01/01/nyregion/facing-increase-rent-controlled-tenants-complain-of-being-singled-out.html> (December 31<sup>st</sup> 2015).

<sup>14</sup> National Alliance to End Homelessness. *Housing First*. [http://www.endhomelessness.org/pages/housing\\_first](http://www.endhomelessness.org/pages/housing_first). (Accessed; March 17th 2016).

<sup>15</sup> Pavetti, Ladonna. *Work Requirements Don't Cut Poverty, Evidence Shows*. Center on Budget and Policy Priorities. <http://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>. (June 7, 2016).

---

<sup>16</sup> Semuels, Alana. *How Can the U.S. End Homelessness?* The Atlantic.  
<https://www.theatlantic.com/business/archive/2016/04/end-homelessness-us/479115/>. (April 25<sup>th</sup> 2016).