

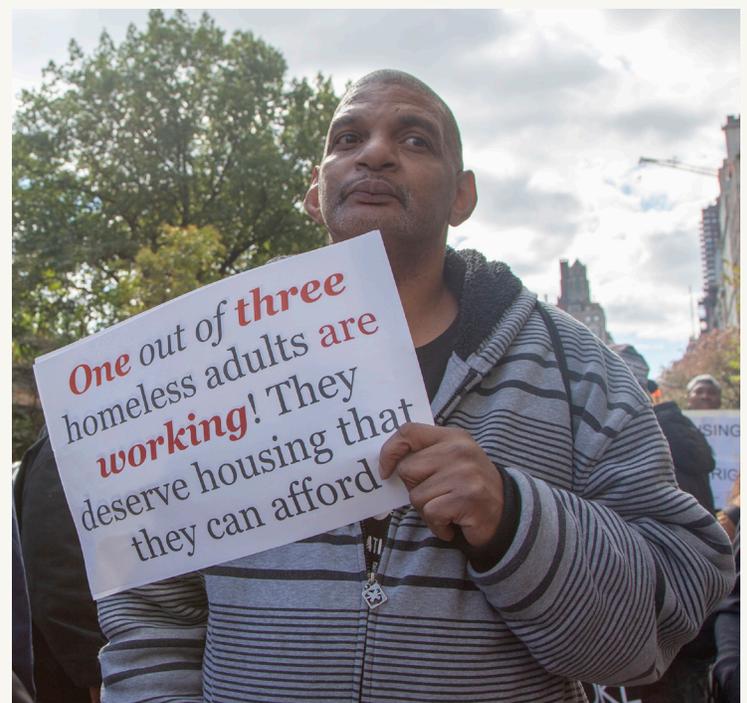
# HOUSING DISCONNECT

## Fact-Checking Mayor de Blasio's Claims on Affordable Housing and Homelessness

By Giselle Routhier, Policy Director

**House Our Future NY** is an advocacy campaign formed by the Coalition for the Homeless and 60 partner organizations, homeless men, women, and children, and other caring New Yorkers. We are urging Mayor de Blasio to dedicate 10 percent of his overall *Housing New York 2.0* plan to provide housing for homeless New Yorkers, including 20 percent of all new construction. Specifically, we are asking the Mayor to provide 30,000 new units of affordable, permanent housing for homeless New Yorkers by 2026, with 24,000 of these units to be created through new construction. As of December 2018, 38 City elected officials have endorsed this campaign, including the Public Advocate, the Comptroller, four Borough Presidents, and the majority of City Council Members.

The **House Our Future NY** plan is carefully designed to address critical shortcomings in Mayor de Blasio's *Housing New York 2.0* plan, including the over-emphasis on preserving existing occupied housing without sufficient new construction for homeless households, inadequate homeless set-aside targets, and the need for much more robust affordable housing production beyond the Mayor's supportive housing commitment.



1. The **House Our Future NY** recommendation is purposefully heavy on new construction. In order to meaningfully reduce homelessness in New York City, new deeply subsidized affordable housing will need to be built from the ground up specifically for homeless families and individuals. The majority of housing units slated to be preserved by the City are already occupied, and thus will not provide a route to help a homeless person or family move out of a shelter. That is why we recommend that 24,000 housing units be created through new construction for homeless households: 20 percent of the Mayor’s overall goal of 120,000 units of new construction.
2. The **House Our Future NY** recommendation is to set aside 10 percent of the apartments to be created or preserved through *Housing New York 2.0* for homeless men, women, and children. In contrast, Mayor de Blasio’s current plan allocates a mere 5 percent of all 300,000 units created or preserved under *Housing New York 2.0* for homeless households, at a time when homelessness has reached new record levels. This meager commitment is neither in line with the amount of the housing allocated to serve homeless people in New York City’s past affordable housing plans,<sup>1</sup> nor will it move the needle on our city’s currently much larger – and still growing – homelessness crisis.
3. The **House Our Future NY** recommendation is separate and apart from prior campaigns to secure commitments from Mayor de Blasio and Governor Cuomo to build more permanent *supportive* housing for homeless New Yorkers living with a severe mental illness or other disability. The Mayor previously committed to producing 15,000 units of supportive housing over 15 years in New York City, and the Governor committed another 20,000 over 15 years statewide. However, with an all-time record 63,559 people sleeping in shelters each night – the vast majority of whom are members of homeless families – it is absolutely critical that the City create more affordable housing for the tens of thousands of homeless households who will not need or be eligible for supportive housing.

This paper addresses claims Mayor de Blasio has made regarding the **House Our Future NY** Campaign and elaborates on the current state of homelessness, the need for more housing, and the mechanisms for achieving our goals.



<sup>1</sup> Schwartz, A. (1999). New York City and Subsidized Housing: Impacts and Lessons of the City’s \$5 Billion Capital Budget Housing Plan. *Housing Policy Debate*: 10, 4, pp 839-877.

# MAYOR DE BLASIO'S CLAIMS VS. THE FACTS

## THE MAYOR'S CLAIM

The *Housing New York 2.0* plan addresses the affordable housing crisis for everyone, and adding more units for homeless people would take access to housing away from others experiencing problems with affordability.<sup>2</sup>

## THE FACTS

New York City's affordability crisis disparately impacts those with the lowest incomes. There is no shortage of private market apartments affordable to higher-income households: The vacancy rate for units renting above \$2,500 per month is in fact 8.74 percent, far above the "emergency" threshold of 5 percent, while the vacancy rate for apartments renting for less than \$800 per month is only about 1 percent.<sup>3</sup> The New York City housing market is characterized by an abundance of high-rent units and a dearth of low-rent apartments.

Homelessness in New York, which has reached new all-time records on Mayor de Blasio's watch, is a direct result of the lack of low-income housing. Between 1996 and 2017, New York City lost more than 1.1 million apartments renting for less than \$800 per month,<sup>4</sup> and the city is currently facing a deficit of more than 500,000 apartments needed at that level, given the number of low-income New Yorkers.<sup>5</sup> Today, nearly 64,000 people sleep in shelters every single night, including more than 23,000 children, and last year nearly 130,000 different men, women, and children had to stay in New York City shelters.<sup>6</sup>

Our recommendation to provide 30,000 apartments (including 24,000 to be created through new construction) for homeless households as part of the Mayor's 300,000-unit plan will *not* take housing away from the poorest New Yorkers. It will simply – and sensibly – target resources where they are most needed. Mayor de Blasio's plan is to build fewer than 200 new apartments for homeless households per year between now and 2026. That is woefully inadequate given the unprecedented scale of the crisis. The **House Our Future NY** recommendation would require the City to build 2,500 newly constructed apartments per year between now and 2026 specifically for homeless New Yorkers, out of the estimated 10,500 new apartments that remain to be constructed each year through the life of the Mayor's plan.

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2 See, for example, Mayor's exchange with a questioner at 8/23/2018 Town Hall in Brooklyn: <https://twitter.com/NYHomeless/status/1034126687657705472> and Mayor's appearance on Brian Lehrer on 8/3/2018: <https://www1.nyc.gov/office-of-the-mayor/news/395-18/transcript-mayor-de-blasio-appears-live-the-brian-lehrer-show>

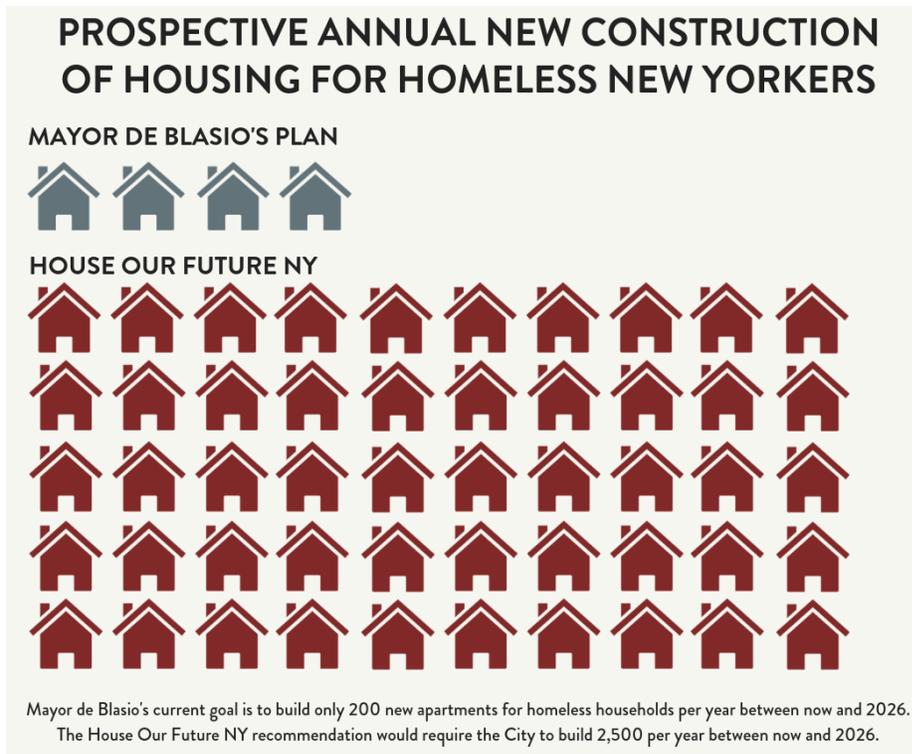
3 NYC Housing and Vacancy Survey (2017): <https://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf>

4 NYC Housing and Vacancy Survey (2017): <http://www.coalitionforthehomeless.org/wp-content/uploads/2018/03/CFHStateoftheHomeless2018.pdf> (see Chart 9)

5 NYC Housing and Vacancy Survey (2017): <http://www.coalitionforthehomeless.org/wp-content/uploads/2018/03/CFHStateoftheHomeless2018.pdf> (see Chart 10)

6 New York City Department of Homeless Services, via Local Law 37 Reports and FOIL

Figure 1



## THE MAYOR'S CLAIM

The *Housing New York 2.0* plan is not subsidizing luxury housing.<sup>7</sup>

## THE FACTS

Mayor de Blasio's housing plan dedicates nearly 20 percent of all units created or preserved to provide housing to households making between \$70,000 and \$142,000 annually, at rents ranging from \$1,700 to \$3,500 per month, while at the same time dedicating just 5 percent of the planned housing to help homeless New Yorkers. This skewed approach lays bare the Mayor's misguided priorities. Fully 10 percent of the apartments created through this plan will have rents set at or above \$2,500 per month – a level at which there is currently a glut of vacant apartments.

<sup>7</sup> See Mayor's appearance on Brian Lehrer on 11/2/2018: <https://www1.nyc.gov/office-of-the-mayor/news/538-18/transcript-mayor-de-blasio-appears-live-the-brian-lehrer-show>

## THE MAYOR'S CLAIM

There is already a comprehensive plan to address homelessness called *Turning the Tide*.<sup>8</sup>

## THE FACTS

A truly comprehensive approach to reducing homelessness must include multiple components:

1. Robust production of new, deeply subsidized affordable housing targeted specifically to provide apartments for homeless New Yorkers;
2. Portable vouchers to help people pay rent in the private market; and
3. A sufficient and sustained pipeline of permanent supportive housing for homeless individuals and families living with a serious mental illness or other disability.

Mayor de Blasio's plan fails with respect to the first – and most urgent – of these components, while making some meaningful progress on the second and third. The Mayor's own statements provide evidence of the inadequacy of his *Housing New York 2.0* plan. Mayor de Blasio said in 2017 that he plans to reduce the shelter census by a mere 2,500 people by 2022.<sup>9</sup> Unless the Mayor pursues a viable strategy for balancing the housing equation in favor of providing homes for those without them and makes a commitment to create enough deeply subsidized affordable housing for homeless New Yorkers to meet the magnitude of the need, the city will remain indefinitely mired in this crisis. This is why the **House Our Future NY** Campaign is urging the Mayor to immediately use this historic opportunity presented by a well-funded City housing plan to alleviate the suffering of tens of thousands of homeless men, women, and children in our city.

## THE MAYOR'S CLAIM

The Mayor says that he is “comfortable” with his current approach – saying “no” to repeated and direct appeals to increase homeless set-asides in publicly subsidized apartment buildings.<sup>10</sup>

## THE FACTS

Indeed, Mayor de Blasio has been asked about the **House Our Future NY** Campaign many times, including on WNYC, NY1, at town halls, at his gym, and through other forums.<sup>11</sup> Unfortunately, the Mayor is not well-versed in what his current plan does and how our recommendation fits in, despite the repeated efforts of advocates, elected officials, and homeless people to explain to him the dire consequences of his insouciance.

Here's what the Mayor has done so far: Of the 109,000 housing units financed as either new construction or preservation through the end of Fiscal Year 2018, only 4,800 – or just 4 percent of

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<sup>8</sup> See Mayor's appearance on Brian Lehrer on 9/21/2018: <https://www1.nyc.gov/office-of-the-mayor/news/482-18/transcript-mayor-de-blasio-appears-live-the-brian-lehrer-show>

<sup>9</sup> *Turning the Tide on Homelessness in NYC*: <https://www1.nyc.gov/assets/dhs/downloads/pdf/turning-the-tide-on-homelessness.pdf>

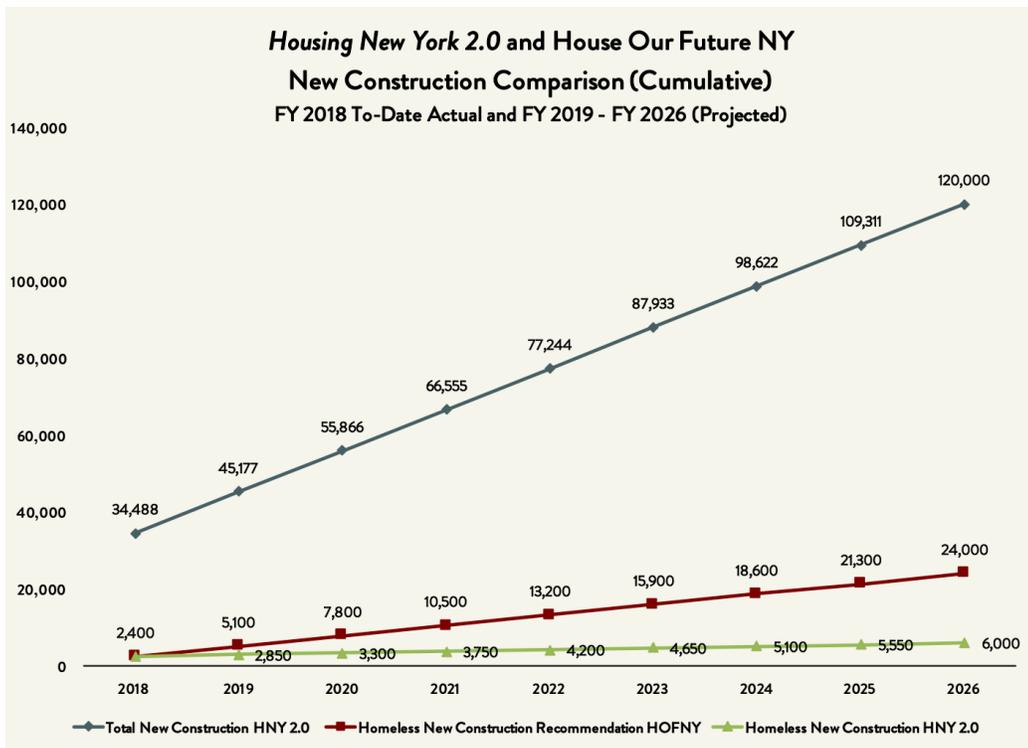
<sup>10</sup> See Mayor's appearance on Brian Lehrer on 8/3/2018: <https://www1.nyc.gov/office-of-the-mayor/news/395-18/transcript-mayor-de-blasio-appears-live-the-brian-lehrer-show> and Mayor's appearance on Brian Lehrer on 11/2/2018: <https://www1.nyc.gov/office-of-the-mayor/news/538-18/transcript-mayor-de-blasio-appears-live-the-brian-lehrer-show>

<sup>11</sup> See: <http://www.coalitionforthehomeless.org/event/house-our-future-ny/#News>

all units financed to date – were set aside for homeless households.<sup>12</sup> These are distinct from the housing being developed under the supportive housing plan, which serves a different purpose and population. The Mayor’s 300,000-unit affordable housing plan has an explicit goal of providing no more than 5 percent of this housing for homeless households, despite the ongoing crisis that leaves nearly 64,000 people sleeping in shelters every night and thousands more bedding down on the streets.

Between now and the end of the *Housing New York 2.0* plan, Mayor de Blasio intends to finance over 23,000 units of housing each year, including more than 10,500 units per year to be created through new construction. The **House Our Future NY** Campaign is urging Mayor de Blasio to dedicate 2,500 units of that annual goal to provide newly constructed apartments for homeless New Yorkers. As noted above, this request is separate and apart from the Mayor’s commitment of 15,000 units of supportive housing over 15 years, which will serve another segment of the homeless population.

Chart 1



12 See Fiscal Year 2018 Mayor’s Management Report on *Housing New York 2.0*, which includes clarification about the total number of homeless set-aside units financed on p. 12: “HPD financed 2,264 affordable homes for the homeless last year, bringing the total to 8,894 under HNY. This includes 4,094 supportive housing apartments the City has financed since the start of the administration.” [https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2018/2018\\_mmr.pdf](https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2018/2018_mmr.pdf)

## THE MAYOR’S CLAIM

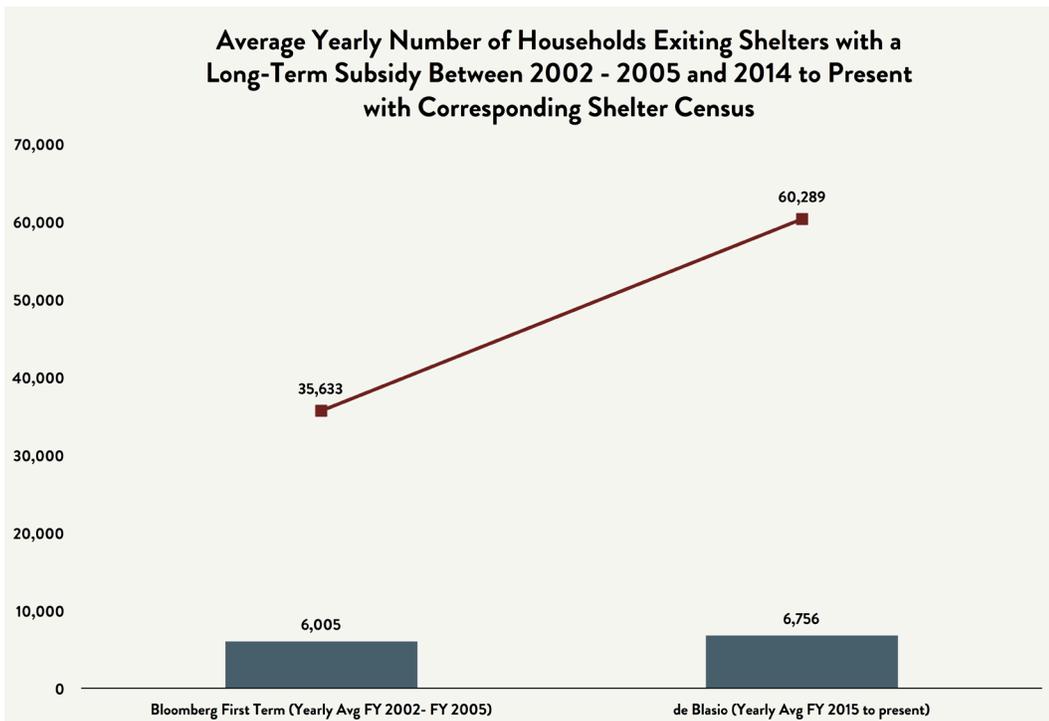
The City has done enough to address record homelessness and has helped 90,000 people move out of shelters in the past five years.<sup>13</sup>

## THE FACTS

In the past five years, the City has helped 100,000 individuals – or 38,000 households – exit or *avoid* shelters with the help of a subsidy. About 20 percent of the 38,000 households – roughly 7,600 – used City subsidies to avoid homelessness; the other 30,400 used subsidies to exit shelters.<sup>14</sup>

Since 2014, fewer than 6,800 households per year on average have exited shelters with some type of subsidy. This is only marginally higher than the average of 6,000 households per year exiting shelters with long-term subsidies under the first term of Mayor Bloomberg – even though the number of homeless people in shelters each night is now 70 percent higher than it was during Bloomberg’s first term. The depth of the current crisis demands much more drastic action from Mayor de Blasio’s affordable housing plan to help homeless New Yorkers move out of shelters and into permanent housing.

Chart 2



13 See Mayor’s appearance on Brian Lehrer on 11/2/2018: <https://www1.nyc.gov/office-of-the-mayor/news/538-18/transcript-mayor-de-blasio-appears-live-the-brian-lehrer-show>

14 Source: NYC Department of Homeless Services, via FOIL

## THE MAYOR'S CLAIM

The **House Our Future NY** recommendation is not financially feasible.<sup>15</sup>

## THE FACTS

The **House Our Future NY** Campaign is urging Mayor de Blasio to designate 10 percent of his overall housing plan, including 20 percent of the new construction target, for homeless New Yorkers: 30,000 units overall, with 24,000 to be created through new construction. Funds already committed to the plan, including over \$1.3 billion in City funds each year for the next eight years,<sup>16</sup> demonstrate that the Mayor has the resources needed to significantly reduce homelessness – he simply lacks the will.

To achieve the **House Our Future NY** goal, the City would need to raise the number of new apartments financed specifically for homeless New Yorkers to 2,500 units per year. This would be within the roughly 10,500 apartments the City will finance as new construction each year through 2026. Mayor de Blasio has shown a willingness to increase financing when it suits him, as he did when he revised his initial goal from 200,000 units of housing to 300,000 units, which included an additional \$150 million per year over four years and a commitment to similar levels of funding in future financial plans.<sup>17</sup>

The City has also created a unique City-funded project-based subsidy to buttress new supportive housing developments, and could easily do the same to ensure the financial viability of developments that include newly constructed apartments to house those of our homeless neighbors not in need of supportive housing.

## CONCLUSION

Mayor de Blasio's obstinacy in the face of the highest level of homelessness our city has ever seen and an ongoing housing crisis for low-income New Yorkers belies his professed values as a progressive leader. Without a swift course correction, this wrong-headed approach will lock the City of New York into a state of ever-expanding and extremely expensive record homelessness for the foreseeable future. The only way out is to fully embrace bold solutions. Mayor de Blasio must immediately dedicate 10 percent of his housing plan, including 20 percent of all new construction, to house homeless New Yorkers. The tens of thousands of New Yorkers languishing in shelters and on the streets, and all New Yorkers, deserve a housing plan that offers a responsive and robust answer to record homelessness, not more equivocation in the false promise of fairness for all.

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<sup>15</sup> See Jeffery Mays, "More Housing for New York's Homeless? Council Will Weigh Question Mayor Ignored at His Gym," October 30, 2018. New York Times, via: <https://www.nytimes.com/2018/10/30/nyregion/homeless-nyc-mayor-city-council.html>

<sup>16</sup> *Housing New York 2.0: Mayor de Blasio Releases New Road Map to Build or Preserve 300,000 Affordable Homes* (2017) <https://www1.nyc.gov/site/hpd/about/press-releases/2017/11/11-15-17.page>

<sup>17</sup> *Housing New York 2.0: Mayor de Blasio Releases New Road Map to Build or Preserve 300,000 Affordable Homes* (2017) <https://www1.nyc.gov/site/hpd/about/press-releases/2017/11/11-15-17.page> and *Increased Funding to Expand Housing Plan and Deepen Affordability* (2018) <https://ibo.nyc.ny.us/iboreports/increased-funding-to-expand-housing-plan-and-deepen-affordability-march-2018.pdf>



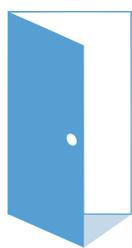
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