

New York Housing Conference
247 West 37th Street, 4th Floor
New York, NY 10018

April 10, 2020

The Honorable Benjamin S. Carson Sr., M.D.
Secretary
Department of Housing and Urban Development
451 7th Street SW
Washington, D.C. 20410

Dear Secretary Carson,

On behalf of the New York Housing Conference and 10 housing and homeless organizations in New York, we are writing to strongly encourage the U.S. Department of Housing and Urban Development (HUD) to allocate funding in the Coronavirus Aid, Relief and Emergency Security (CARES) Act, particularly the Emergency Solutions Grant (ESG) and Community Development Block Grant (CDBG) funding, quickly, in advance of statutory deadlines and with a focus on areas that are particularly hard hit by the coronavirus and have the most challenging housing and economic environments. New Yorkers have significant and urgent emergency housing needs that can be aided by this funding.

Federal funding is critical to managing the health and economic effects of the coronavirus. HUD funding in particular will be necessary to manage the health consequences and housing stability for the most vulnerable. The ESG funding will help jurisdictions provide emergency shelter and outreach services to people experiencing homelessness, whose health conditions often make them particularly vulnerable. By providing safe emergency housing options where social distancing can be practiced, lives will be saved while the risk of spreading the coronavirus will be reduced. ESG funding is also critical to homeless prevention by keeping individuals and families housed, while reducing new shelter admissions during this dangerous period of contagion.

CDBG funds may be used for a variety of needs related to both addressing crisis response and economic fallout. This program can be used for a wide range of critical interventions including retrofitting facilities to provide emergency medical care and supporting small businesses with working capital to stem job loss.

These are just a few of the reasons why we believe it is imperative that \$4 billion in ESG funding and \$5 billion of CDBG funding are allocated as soon as possible. The CARES Act sets different allocation deadlines for portions of this funding, including distribution on a rolling basis until Sep. 30, 2022. We urge HUD to act with urgency in distributing funds and to allocate all funding within 45 days of enactment.

While the CARES Act appropriates \$2 billion of ESG and \$2 billion of CDBG to entitlement communities by block grant formula, the legislation gives the HUD secretary the discretion to determine the distribution formula for the remaining balance of this funding. When developing the formula, HUD should use the number of people impacted rather than rates so that the funding is related to the scale of the problem in each community. We believe that New York, as a national hotspot, is in urgent need of support for emergency housing and community development funding. When examining options for establishing formula, we encourage HUD to use the following factors:

- **Risk of Transmission of Coronavirus-** HUD should use the number of COVID-19 cases — there are almost 160,000 cases and more than 7,000 deaths in New York state and this number grows every day.ⁱ The number of coronavirus cases shows the current impact and the risk of continued spread.

HUD should also be aware of the way COVID-19 is hitting low-income communities particularly hard. An analysis by the Association for Neighborhood and Housing Development found that high rates of positive COVID-19 cases are concentrated in communities of color and neighborhoods where many of New York’s frontline service workers live.ⁱⁱ

- **Sheltered and Unsheltered Homelessness-** HUD should use the number of homeless people, counting people that are both sheltered and unsheltered using the HUD Point in Time count. There were more than 78,600 homeless people in New York City and more than 92,000 across the state.ⁱⁱⁱ It is also important to note drivers of homelessness of particular relevance at this time for at-risk households.
 - **Lack of Savings-** A report by the Federal Reserve on the economic well-being of U.S. households found that if faced with an unexpected expense of just \$400, 39 percent of adults would have to borrow or sell something or would not be able to cover the expense at all.^{iv} With COVID-19 related unemployment, we can expect a greater number of families to be at-risk of entering homelessness, especially after New York’s 90 day eviction moratorium ends.
 - **Overcrowding-** There are 285,000 households in New York state living in crowded housing conditions according to an analysis by New York University’s Furman Center.^v This large number of crowded households shows both the risk of spread within family units but is also an indicator of housing instability.
 - **Domestic violence-** The leading cause of family homelessness has been increasing during this period of social distancing as people are required to stay at home. New York State Police reported that calls related to domestic violence have increased 15 to 20 percent.^{vi} Resources are needed to prevent homelessness for at-risk households in order to protect their health and safety.
- **Economic and Housing Market Conditions-** HUD should use factors that highlight actual disruptions or the conditions that will likely predict disruptions. Using existing housing data, like the recent vacancy rate — which was 3.63 percent in New York City,^{vii} the number of households that are rent burdened — 1.7 million in New York state, the number that are crowded, and the median rent — \$1,275 in New York state^{viii} show the local areas that have harsh housing environments with renters and homeowners living on the edge and will see more disruptions. The housing data is available nationally through the U.S. Census American Community Survey.

Economic conditions like closed businesses and unemployment will lead to housing disruptions when people are unable to afford their rent or mortgages. While we have a local moratorium on evictions for 90 days, it is expected that many renters will be at risk of losing their housing after suffering consecutive months of lost income.

In the three reporting periods since localities in the U.S. started closing businesses to implement social distancing there almost 17 million new unemployment filings.^{ix} If considering using the number of unemployment filings however, HUD should take into account factors that are suppressing that number, like bureaucratic difficulties filing for unemployment, which Gov. Andrew Cuomo acknowledged in New York state.^x

HUD could also consider looking at the number of households that are economically at-risk by impacted job sectors. An analysis by the Furman Center at New York University found that over 1 million households in New York City — totaling almost 3.5 million people — had at least one household in a vulnerable occupation.^{xi}

A poll by the National Small Business Association found that nearly half of small businesses have already seen reduced business.^{xii} Businesses, nonprofits and households will need support as the economic conditions deteriorate.

It is important that the factors used to determine funding amounts account for the mounting troubles faced by New York and other states and localities hardest hit by the coronavirus. The health impact and economic effects of COVID-19 are severe and coming quickly but the economic fallout will be long-lasting without immediate action. We thank you for your public service during this national crisis and for your consideration in developing fair and equitable formulas for distribution of critical funds to New York and across the US. We urge you to move swiftly in order for this funding to aid New Yorkers and all Americans in need.

Sincerely,



Rachel Fee
Executive Director
New York Housing Conference

CC:
NY Congressional Delegation
Lynne Patton, NY & NJ Regional Administrator

In partnership with:

Center for New York City Neighborhoods
Coalition for the Homeless
Habitat for Humanity New York City
Homeless Services United
The Legal Aid Society
LiveOn NY
Local Initiatives Support Corporation (LISC)
RiseBoro
Supportive Housing Network of New York
Win NYC

ⁱ Coronavirus in the U.S.: Latest Map and Case Count, New York Times. Data comes from state and local health agencies, hospitals and C.D.C. data. Retrieved Apr. 10, 2020. <https://www.nytimes.com/interactive/2020/us/coronavirus-us-cases.html#states>

ⁱⁱ Frontline Communities Hit Hardest by COVID-19, Association for Neighborhood and Housing Development. Apr. 2, 2020. <https://anhd.org/blog/frontline-communities-hit-hardest-covid-19>

ⁱⁱⁱ U.S. Department of Housing and Urban Development Point in Time Count. 2019. <https://www.hudexchange.info/programs/hdx/pit-hic/>

^{iv} Report on the Economic Well-Being of U.S. Households in 2018, Board of Governors of the Federal Reserve System, May 2019. <https://www.federalreserve.gov/publications/files/2018-report-economic-well-being-us-households-201905.pdf>

^v New York University Furman Center analysis of U.S. Census American Community Survey data.

^{vi} New York Gov. Andrew Cuomo press conference, Apr. 3, 2020. <https://www.governor.ny.gov/news/video-audio-photos-rush-transcript-amidst-covid-19-pandemic-secretary-governor-melissa-derosa-0>

^{vii} Gaumer, E. Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey. New York, NY: New York City Department of Housing Preservation and Development; 2018.

^{viii} New York University Furman Center analysis of U.S. Census American Community Survey data.

^{ix} Unemployment Insurance Weekly Claims, U.S. Department of Labor. <https://www.dol.gov/ui/data.pdf>

^x New Yorkers Get Error Message When Filing Unemployment Claims, Kate King and Sarah Chaney, Wall Street Journal. Apr. 1, 2020. <https://www.wsj.com/articles/new-yorkers-get-error-message-when-filing-unemployment-claims-11585746472>

^{xi} What are the Housing Costs of Households Most Vulnerable to Job Layoffs? An Initial Analysis, New York University Furman Center. March 30, 2020. <https://furmancenter.org/thestoop/entry/what-are-the-housing-costs-of-households-most-vulnerable-to-job-layoffs-an>

^{xii} NSBA Small Business Impact Poll – COVID-19. National Small Business Association. March 2020. <https://nsba.biz/wp-content/uploads/2020/03/NSBA-COVID-19-Poll-2020.pdf>