



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N. Y. 10007

June 23, 2023

Dear Mr. McSweeney:

Pursuant to Section 37 of the New York City Charter, I hereby disapprove Introductory Number 893-A, which would amend the Administrative Code of the City of New York “in relation to expanding eligibility for rental assistance to any applicant at risk of eviction or experiencing homelessness.”

The Department of Social Services (DSS) administers the City’s Family Homelessness and Eviction Prevention Supplement (“CityFHEPS”) voucher assistance program, which provides vouchers to individuals and families residing in shelter, as well as to certain people who are at risk of homelessness. Introductory Number 893-A would make any household who is at risk of eviction or experiencing homelessness eligible for a CityFHEPS voucher. A household is “at risk of eviction” if they have received either “a written demand for rent payment or a predicate holdover notice” or “a notice of non-renewal of residential tenancy.” Together, Introductory Numbers 893-A, 878-A and 894-A significantly expand eligibility to receive a CityFHEPS voucher by:

- expanding eligibility for CityFHEPS vouchers to any household that is income eligible and is experiencing homelessness or is at risk of eviction; and
- expanding income eligibility for CityFHEPS vouchers from 200% of the federal poverty level to 50% of Area Median Income (AMI);
- eliminating the 10-hour work requirement for certain households; and
- prohibiting DSS from requiring that a CityFHEPS voucher applicant reside in shelter.

Expanding access to CityFHEPS vouchers to those in need has been, and continues to be, a top priority of this Administration. The CityFHEPS program currently provides rental assistance to individuals, families with children, adult families and pregnant persons residing in New York City Department of Homeless Services (DHS) and Human Resources Administration (HRA) shelters, as well as to street homeless individuals who meet certain eligibility criteria. CityFHEPS also assists certain households at risk of eviction.

With over 63,000 households having used a City-funded rental assistance voucher, the CityFHEPS program and its predecessors represent the largest municipally-funded investment in housing stability in the United States. The approximate cost of the City-funded rental assistance programs is \$550 million in Fiscal Year 2023, with costs projected to increase in the years thereafter due to rent increases and additional households accessing the program.

Taken together, Introductory Numbers 878-A, 893-A, and 894-A substantially expand eligibility for a CityFHEPS voucher to include people unlikely to ever enter the shelter system, and in so doing ultimately disserve the very interests the bills were designed to protect. First, the bills limit the City’s ability to target CityFHEPS vouchers to those most in need. Most households who are facing eviction proceedings in housing court do not enter shelter, yet many of those people would be eligible for a CityFHEPS voucher as a result of these bills. The bills thus expand eligibility to people who would otherwise remain housed or find permanent housing without a City-funded voucher. This expanded eligibility will result in increased competition for a limited number of apartments – a competition that will disfavor those individuals and families in shelter, unnecessarily prolonging their stay in shelter.

Second, providing a voucher to everyone who is eligible for one under Introductory Numbers 878-A, 893-A, and 894-A would impose an enormous cost on the City without providing commensurate savings. Because the vast majority of shelter entrants do not have a recent past formal eviction, the bills will increase the total number of people eligible for a voucher without decreasing shelter costs.

Third, DSS will have to create a waitlist for vouchers to address the gap between the number of people eligible for a voucher and the total number of available vouchers. Administering a waitlist will significantly increase costs, result in the same years-long wait that plagues other voucher programs, and produce fewer placements of homeless households.

Finally, the bills take aim at vouchers without addressing housing supply. Although DSS has steadily increased the total number of CityFHEPS vouchers, this increase has not resulted in a linear increase of households exiting shelter because limited housing supply is the critical constraint on shelter residents finding permanent housing.

In addition to raising these important policy concerns, Introductory Number 893-A is legally flawed as it seeks to legislate in an area in which authority is reserved to the State. Rental assistance programs are governed by the Social Services Law, which gives plenary authority to DSS to develop and administer these programs, subject to oversight by the State Office of Temporary and Disability Assistance. The Social Services Law generally gives no role to the City Council in the administration of these programs. Because Introductory Number 893-A would provide the City Council with such a role, the Social Services Law preempts such legislation.

Accordingly, I hereby disapprove Introductory Number 893-A.

Sincerely,



Eric Adams

Mayor