

COMMITTEE ON SMALL BUSINESS
CHAIRWOMAN

COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON HOUSING AND
COMMUNITY OPPORTUNITY

SUBCOMMITTEE ON CAPITAL MARKETS,
INSURANCE AND
GOVERNMENT SPONSORED ENTERPRISES

Congress of the United States
House of Representatives
Washington, DC 20515

NYDIA M. VELAZQUEZ
12TH DISTRICT, NEW YORK

CONGRESSIONAL HISPANIC CAUCUS
CONGRESSIONAL CAUCUS FOR
WOMEN'S ISSUES
CONGRESSIONAL
PROGRESSIVE CAUCUS
OLDER AMERICANS CAUCUS
CONGRESSIONAL
CHILDREN'S CAUCUS

Statement for the Record
Before the New York City Council Subcommittee on Public Housing
October 18, 2007

Thank you for the opportunity to testify on Resolution 720 urging the United States Congress to pass and the President to sign HR 1235, The Public Housing Equal Treatment Act of 2007. Unfortunately, I am unable to attend today's hearing due to the Congressional schedule in Washington. However, I want to express my support for this resolution as it will be instrumental in helping NYCHA address its fiscal situation.

It is clear that for too long every level of government walked away from its pledge to public housing, forcing NYCHA to run 343 developments on a budget not even sufficient for 322. But the federal government is stepping up to the plate and HR 1235 affirms our commitment, saying that if our city has 343 developments then we will fund all of them.

The Public Housing Equal Treatment Act of 2007 would provide a steady and dedicated funding stream to 21 developments that right now do not have one. This will allow community centers to stay open and keep the numerous programs going that enrich the lives of residents. Keeping the current sharing agreement will result in further underfunding for all properties, shortchanging residents and leaving NYCHA between a rock and a hard place.

HR 1235 will prevent residents from having to carry an even greater burden and NYCHA from having to take harmful cost cutting steps. NYCHA's incurred a \$168 million dollar deficit, almost half of which is because of developments that share federal funding, but receive no direct assistance. This situation jeopardizes the Authority's ability to provide quality housing to the more than 414,000 tenants it serves.

The families living in public housing and NYCHA need better from the federal government. The properties and those who call them home give New York neighborhoods character. They are also a strong force against the growing gentrification and displacement being seen across the city. The legislation we are talking about today would breathe new life into all public housing. It will restore stability and protect vital services for residents.

I am pleased that the Council is taking an active interest and a leadership role in supporting the Public Housing Equal Treatment Act of 2007. We must continue to work together to ensure that equality for all NYCHA residents and developments becomes a reality. Thank you.

**Public Housing Sub-Committee's
Public Hearing
Re: Oversight on NYCHA's Section 8 Vouchers
October 18, 2007**

It is both a pleasure and honor for Public Housing Residents Of the Lower East Side-PHROLES to provide testimony before the Sub-Committee's public hearing regarding the Res. No. 720, which calls for the United States Congress to pass and the President to sign the Public Housing Equal Treatment Act of 2007.

Established in 1998, **Public Housing Residents Of the Lower East Side-PHROLES** is a non-for-profit, grassroots organization of residents working together to increase awareness, participation and opportunities for economic justice and affordable housing within public housing on the Lower East Side of Manhattan, New York. We accomplish our mission through our direct service, comprehensive trainings, leadership development and grassroots organizing.

We provide full support and encourage our U.S. Congress and President to sign a bill that will preserve all public housing in New York City by ensuring equal funding for all developments. Although the New York City Housing Authority-NYCHA operates and manages 343 developments it does not receive operating monies for 21 of those developments.

Unlike Housing Authorities in other cities where they have decided to demolish, privatize or destroy underfunded and unfunded public housing, NYCHA's has depended on monies meant for only 323 of its developments. This funding is derived from two main sources including the United States Department of Housing and Urban Development-HUD and rents; 48% and 40% respectively.

In turn, our office is not a stranger to complaints about long waits for repairs and upgrades, raised rents for some residents and less services as staff has been reduced. Not only has this compromised NYCHA's ability to manage and maintain their developments but it has required the public housing residents of New York City to pay more, to get less- to get less for what is deserved, which is decent and affordable housing.

PHROLES members did not have write letters or send postcards to get our Honorable Congresswoman Nydia M. Velázquez and Senator Chuck Schumer to respond to this housing crisis. This past February, they came to the Lower East Side to introduce the Public Housing Equal Treatment Act of 2007 in response to the annual disinvestment to New York City Public Housing from all government levels including the federal, state and city.

We want to assure our great leadership that residents are fed up with becoming the back burner to budgets when it comes to preserving such an amazing stable of this cities affordable housing. Together as residents, advocates and elected officials, we have gotten over \$ 200 million from the City and State within the past two years and we plan to fight on.

We appreciate the continued support and leadership of our Chair Rosie Mendez and this great opportunity to provide input on this crucial matter.



THE CITY OF NEW YORK
OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN

SCOTT M. STRINGER
BOROUGH PRESIDENT

Manhattan Borough President Scott M. Stringer
Statement Before the New York City Council Subcommittee on Public Housing
In Support of Resolution No. 720
October 18, 2007

Good afternoon. Thank you Councilmember Mendez and members of the Subcommittee on Public Housing for holding this important hearing on Resolution No. 720.

Hearing after hearing, advocates, residents, and elected officials have called on the City and the State to subsidize the operating costs for the 21 New York City Housing Authority (NYCHA) developments built with City and State financing. Yet, today, the City and State developments remain essentially unfunded. This lack of action has led, in part, to NYCHA's growing deficit—with the operating debt of the 21 City and State developments at nearly \$90 million annually.

If this situation is allowed to continue we put at risk NYCHA's ability to fulfill its mission of providing "decent and affordable housing in a safe and secure living environment." NYCHA even states that in order to fulfill its mission it must preserve its aging housing stock through timely maintenance and modernization of its developments. If 21 of these developments are not receiving operating subsidies, I do not see how timely maintenance can happen, or how the over 21,000 households living in these developments are safe and secure. Moreover, the impact of the lack of subsidies is not isolated to those living in these 21,000 households. At the beginning of this year, NYCHA housed approximately 408,850 of our City's low and moderate-income residents. Our failure to fully fund the operating costs of all of our public housing developments puts all of these families and this critical stock of affordable housing which keeps our City accessible to people of all incomes at risk.

I am proud that our federal representatives have taken action to remedy the lack of operating subsidies for the 21 City and State developments. The Public Housing Equal Treatment Act of 2007 would allow these developments to fully transition into the federal public housing program for funding purposes. Federal funding for public housing has decreased significantly in recent years, and funding for these developments would be a huge step in the right direction. Public housing is a needed resource that cannot be allowed to languish. It is high time that all levels of government realized this.

Indeed, beyond failing to provide operating subsidies, there are other ways that the City and State shortchange NYCHA. Specifically:

- NYCHA continues to pay \$23 million annually for Payments In Lieu of Taxes despite non-profit housing providers usually being exempted from property taxes; and

- NYCHA also pays \$73 million annually to the City for “special police services” while residents claim they do not receive special services.

With the addition of operating subsidies for the City and State developments and the end of antiquated payment agreements and practices, NYCHA would have a significantly lower deficit and public housing residents would have safe, quality affordable housing.

I support Resolution No. 720 and join with the City Council in calling on Congress to pass and the President to sign the Public Housing Equal Treatment Act of 2007, and to thereby protect a critical stock of affordable housing for the benefit of New York City and the nation. At the same time, I encourage the City and State to also remember their needed roles in preserving public housing.

Thank you again for the opportunity to testify today.

**TESTIMONY BY NYCHA VICE CHAIRMAN EARL ANDREWS
PUBLIC HOUSING EQUAL TREATMENT ACT OF 2007, RES. NO. 720
SUBCOMMITTEE ON PUBLIC HOUSING
THURSDAY, OCTOBER 18, 2007, 1:00 P.M.
CITY COUNCIL HEARING ROOM, 250 BROADWAY, 16TH FLOOR**

Chair Mendez, good afternoon. I am Earl Andrews, Jr., Vice Chairman of the New York City Housing Authority. Joining me this afternoon are Board Member Margarita López and NYCHA's Federal Legislative Liaison, Lisa Diaz. We are here to discuss City Council Resolution Number 720.

As you know, Resolution 720 calls upon the United States Congress to pass, and the President to sign, the Public Housing Equal Treatment Act of 2007. This legislation, introduced in the United States Senate by Senator Charles Schumer and in the House of Representatives by Congressmember Nydia Velázquez, would allow for the full transition of 21 NYCHA developments built by the City of New York and the State into the federal public housing program for funding purposes.

As we have testified several times before the City Council, federal funding for public housing has been either stagnant or in decline for years while non-discretionary expenses such as fuel continue to increase significantly. NYCHA, like many housing authorities across the country, has had to economize and innovate in order to maintain core services to residents and preserve housing its stock for the future. However, the Public Housing Equal Treatment Act would be a step in a more positive direction.

This new federal legislation would be a long-term solution to our City- and State-built public housing developments. At present, these 21 developments receive no federal subsidy to support operations. Working with our Congressional delegation, Mayor Bloomberg and the City Council, NYCHA has been urging passage of this legislation, which has the potential to yield up to \$100 million in new dollars. The Housing Authority is, therefore, very grateful to the City Council for Resolution 720, which reinforces this effort.

The 21 City and State developments are home to approximately 21,150 households, families, New Yorkers who deserve as much federal assistance as every other public housing resident in the country.

In 2006, NYCHA's Plan to Preserve Public Housing called for and received critical funding assistance from several different sources of revenue to help close our budget deficit. Mayor Bloomberg provided \$100 million funding in 2006 and \$50 million in operating funds and \$100 million in capital funds over the next four years. The City Council has also shown its commitment to public housing with the \$20 million in funding given to NYCHA last year. A segment of NYCHA residents who could afford to pay were called upon for increased rents. The Housing Authority itself introduced sizeable budget reductions and created new streams of revenue to help fill the gap.

New York State has also recognized its responsibility in preserving public housing. In August, Governor Elliot Spitzer signed legislation that will accelerate Shelter Allowance payments to NYCHA. With Assemblyman Vito Lopez and Senator Andrew Lanza sponsoring the bill and the support of the Mayor, the City Council and

you, Chair Mendez, our labor partners, NYCHA residents and all our stakeholders, we worked together to make that state legislation a reality.

As I said, NYCHA called upon all sources of revenue for increased assistance and all have responded. Now we call upon the federal government. The federal government created public housing nearly 75 years ago. The federal government provides nearly 85 percent of NYCHA's revenue from government sources. Public housing is a federal program. Senator Schumer, Congresswoman Velázquez and the entire city delegation understand that and they have been steadfast in their support. However, as we speak, the budget being formulated in Washington calls for NYCHA to receive again only 83 percent of the operating dollars we are eligible for. That is why our focus must now shift to the federal government. The sooner our message is understood by others in Washington the sooner we can take the necessary steps to preserve public housing in this City and throughout the country.

Resolution 720 is a welcome contribution to that effort. We thank you for that and we will be happy to answer any questions you may have.