



Legislation Details (With Text)

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Title: Resolution calling upon the New York State Legislature to pass and the Governor to sign legislation amending the Public Housing Law to forego Payments in Lieu of Taxes on New York City Housing Authority City and State developments.

Sponsors: Rosie Mendez, Gale A. Brewer, Letitia James, Brad S. Lander, Melissa Mark-Viverito, Jumaane D. Williams, Margaret S. Chin, Daniel Dromm

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Res. No. 12

Resolution calling upon the New York State Legislature to pass and the Governor to sign legislation amending the Public Housing Law to forego Payments in Lieu of Taxes on New York City Housing Authority City and State developments.

By Council Members Mendez, Brewer, James, Lander, Mark-Viverito, Williams, Chin and Dromm

Whereas, The New York City Housing Authority (NYCHA) is the largest public housing agency (PHA) in the country, primarily funded through federal programs; and

Whereas, NYCHA has 336 developments containing 2,607 buildings spread throughout New York City (the City); and

Whereas, NYCHA provides affordable housing for approximately 404,000 tenants residing in approximately 179,000 apartments; and

Whereas, All NYCHA developments are included in the federal public housing program except for 21

developments, originally financed with State or City funding, that are not included in the count determining NYCHA's operating or capital subsidies; and

Whereas, Testimony from the Chairman of NYCHA before the New York City Council on May 29, 2009, indicated that NYCHA's Fiscal Year (FY) 2009 operating deficit is approximately \$172 million, equivalent to the cost of operating 19,000 public housing units; and

Whereas, In FY 09 NYCHA transferred \$76 million from its capital budget to its operating budget to help balance its budget deficit, despite the fact that NYCHA has unmet capital needs; and

Whereas, NYCHA will receive only 88% of the federal funding it is entitled to from the Department of Housing and Urban Development under the federal operating fund in FY 2009, continuing the decrease in federal funding since FY 2001; and

Whereas, Pursuant to Section 21 of the Public Housing Law, a city is authorized to fix a sum which shall be paid to it annually by the Authority with respect to each project; agree that the Authority shall not pay or be liable to pay any sum whatsoever with respect to a development or developments for any year or years; or agree with the Authority to accept a fixed sum or other consideration; and

Whereas, The City entered into a Payment in Lieu of Taxes (PILOT) cooperation agreement in 1949 which has been subsequently amended and remains in effect; and

Whereas, In FY 2007, 2008 and 2009, NYCHA paid over \$26 million, \$21 million and \$20 million, respectively, in PILOTs to the City; and

Whereas, In FY 09, neither the City nor the State provided an operating subsidy to NYCHA to cover the cost of operating the 21 City and State developments; and

Whereas, It does not appear likely that the City or State will provide such an operating subsidy during FY 10 or FY 11; and

Whereas, In light of HUD's underfunding of NYCHA and the lack of an operating subsidy for the City and State developments, which contribute to NYCHA's chronic deficit, NYCHA should not be required to

make PILOTs to New York City for the City and State developments; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass and the Governor to sign legislation amending the Public Housing Law to forego Payments in Lieu of Taxes on New York City Housing Authority City and State developments.

BJG
Res 1724/2008