



Legislation Text

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Res. No. 1724

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

By Council Members Mendez, Mark-Viverito, James, Brewer, Liu, Palma, Seabrook and Rivera

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 344 projects containing 2,691 buildings spread throughout New York City (the City); and

Whereas, NYCHA provides affordable housing for approximately 414,000 tenants residing in approximately 180,000 apartments; and

Whereas, All NYCHA projects are included in the federal public housing program except for 21 projects, 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, 2008, indicated that NYCHA's Fiscal Year 2008 operating deficit is approximately \$195.3 million, equivalent to the cost of operating 19,000 public housing units; and

Whereas, The Chairman also testified that NYCHA was going to transfer \$75 million from its capital budget to its operating budget to help balance its budget deficit, despite the fact that NYCHA has \$6 billion in unmet capital needs; and

Whereas, NYCHA will receive only 81% of the federal funding it is entitled to from the Department of

Housing and Urban Development under the federal operating fund in FY 2008, continuing the decrease in federal funding since FY 2001; and

Whereas, NYCHA has also been shortchanged by \$450 million in federal capital subsidies 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 project or projects 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 2006, 2007 and 2008, NYCHA paid over \$26 million, \$21 million and \$26 million, respectively, in PILOTs to the City; and

Whereas, In FY 08, neither the City nor the State provided an operating subsidy to NYCHA to cover the cost of operating the 21 City and State projects; and

Whereas, In light of HUD's underfunding of NYCHA and the lack of an operating subsidy for the City and State projects, which contribute to NYCHA's chronic deficit, NYCHA should not be required to make PILOTs to New York City for the City and State projects; 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 forgo Payments in Lieu of Taxes on New York City Housing Authority City and State projects.

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BJG
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