



Legislation Text

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Res. No. 1296

Resolution calling upon the United States Congress to disapprove the proposed increase in the “Minimum Rent” for Section 8 voucher holders as proposed in the second draft, dated October 5, 2011, of the Section 8 Savings Act of 2011 released by the Majority Leadership of the House Committee on Financial Services.

By Council Members Palma, Arroyo, Brewer, Chin, Dromm, James, Koslowitz, Lander, Levin, Rose, Wills and Rodriguez

Whereas, The Section 8 Housing Choice Voucher program, currently administered by the United States Department of Housing and Urban Development (HUD), is the nation’s primary form of low-income housing assistance, with approximately two million low-income families and elderly and disabled individuals currently receiving vouchers authorized by Congress; and

Whereas, The Section 8 Housing Choice Voucher program was established in 1976 and primarily helps families with income levels no greater than 50 percent of area median income; and

Whereas, Section 8 vouchers enable these low-income families to pay no more than 30% of their household income in rent, with the difference in rent covered by HUD; and

Whereas, In New York City, approximately 121,000 low-income families currently receive Section 8 housing vouchers; and

Whereas, Recently, the Majority Leadership of the House Committee on Financial Services released a draft version of the “Section 8 Savings Act of 2011” (SESA); and

Whereas, SESA contains provisions that could increase the rents paid by Section 8 voucher holders some of whom are extremely low-income; and

Whereas, According to a report by the Center on Budget and Policy Priorities, entitled, *Proposed Change in HUD’s Minimum Rent Policy Could Raise Rents for Several Hundred Thousand Poor Families*, the

bill increases the minimum rent in proportion to the Fair Market Rent (FMR) in the area where such voucher holder resides and would have the most detrimental effect on the poorest New Yorkers; and

Whereas, Pursuant to the provisions in SESA, the minimum rents that Section 8 voucher holders would pay would increase from \$50 to 12% of the local FMR, whichever is higher; and

Whereas, The FMR is the amount that the local Public Housing Authority (PHA), which administers the Section 8 voucher at the local level, is the highest monthly rent amount for an apartment unit that a PHA will accept in the program; and

Whereas, Such linkage would adversely affect New York City voucher holders because New York City has higher FMRs, on average, than other cities across the country, and

Whereas, For example in New York City the FMR for a studio is \$1,301 and a two-bedroom is \$1,566 and in the proposed draft of SESA a tenant's portion of the rent for such studio and two-bedroom would increase by \$106.12 and \$136.72, respectively for the poorest families receiving a Section 8 voucher; and

Whereas, If SESA was enacted and Section 8 voucher holders were unable to pay their new rent and faced eviction it is unlikely that, given the affordable housing crisis in New York City, such Section 8 voucher holders would be able to find new apartments that are affordable and might be forced to leave New York City, thereby depriving New York City of its economic diversity; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the United States Congress to disapprove the proposed increase in the "Minimum Rent" for Section 8 voucher holders as proposed in the second draft, dated October 5, 2011, of the Section 8 Savings Act of 2011 released by the Majority Leadership of the House Committee on Financial Services.

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