



Legislation Text

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Res. No. 1935

Resolution urging the United States Congress to restore full funding to the New York City Housing Authority's Section 8 Leased Housing Program.

By Council Members Cabrera, Barron, Brewer, Chin, Dickens, Eugene, Fidler, Jackson, James, King, Koo, Lander, Mendez, Palma, Wills and Rodriguez

Whereas, In August 2011, President Obama signed into law the Budget Control Act, which created the United States Congress Joint Select Committee on Deficit Reduction ("the Committee"); and

Whereas, The Committee, comprised of twelve members of Congress, six from the House of Representatives and six from the Senate, was tasked with issuing a recommendation for at least \$1.5 trillion in deficit reduction steps to be undertaken over a ten-year period; and

Whereas, If the Committee failed to come to an agreement by November 2011, automatic, across-the-board spending cuts, known as sequestration, would go into effect; and

Whereas, The Committee was unable to settle on specific budget reduction measures in the required timeframe thereby triggering the implementation of sequestration in March 2013 which has affected government agencies, including housing authorities such as the New York City Housing Authority ("NYCHA"), which will see cuts totaling \$1.2 trillion over the next ten years; and

Whereas, NYCHA is the largest public housing provider in North America, with 334 developments, 2,596 buildings, and 178,914 public housing units; and

Whereas, Sequestration will reduce NYCHA's 2013 federal subsidies by over \$200 million; and

Whereas, NYCHA will receive \$78 million less for their Section 8 Leased Housing ("Section 8") program; and

Whereas, The Section 8 program is an affordable housing option for many families, it enables voucher holders to rent housing in neighborhoods of their choice; and

Whereas, The Section 8 program provides housing assistance to more than 225,000 New Yorkers in over 90,000 apartments citywide; and

Whereas, Currently, the average income of families with Section 8 vouchers is \$15,305 and their average monthly out-of-pocket rent is \$350 per month; and

Whereas, NYCHA plans to address cuts to its Section 8 program by not issuing any new vouchers, accumulating savings from attrition, not increasing payments upon renewals, requiring cost neutral transfers and exhausting the program's existing reserves; and

Whereas, After taking the aforementioned steps, NYCHA will still be left with a \$14 million shortfall in its Section 8 program; and

Whereas, Due to this shortfall, NYCHA may not have funds to pay Section 8 obligations beginning in December 2013, which could result in the permanent removal of 1,200 families from the program; and

Whereas, Currently, NYCHA pays 110 percent of the payment standard, the maximum monthly housing assistance NYCHA will pay to a landlord who rents to a family with a Section 8 voucher, for about 10,000 voucher holders, with the rest at no less than 90 percent; and

Whereas, To avoid removing any families from the Section 8 program, NYCHA plans to request from the U.S. Department of Housing and Urban Development ("HUD") approval to limit all Section 8 vouchers to the 90 percent payment standard; and

Whereas, If HUD approves NYCHA's request, a reduction in the payment standard would raise each family's portion of their rent by an average of \$57 per month, raising annual housing costs by at least \$684; and

Whereas, Rent increases would impose an enormous burden on already struggling low-income families; now, therefore, be it

Resolved, That the Council of the City of New York urges the United States Congress to restore full

funding to the New York City Housing Authority's Section 8 Leased Housing Program.

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GP
07/03/2013