



NEW YORK STATE SENATOR

Liz Krueger

Senate Democrats Applaud Governor Spitzer's Signing of Nycha Shelter Allowance Bill

LIZ KRUEGER August 14, 2007

Unequal Allowance Has Forced Agency to Make Operating Cuts, Undermining Preservation of Affordable Housing in New York

New York—State Senate Democratic Leader Malcolm A. Smith and the Senate Democratic caucus today applauded Governor Spitzer's signing of S.4329/A.7905, a bill that is critically important to hundreds of thousands of New Yorkers who live in New York City Housing Authority (NYCHA) developments. The Senate Democrats wrote Governor Spitzer on July 16th, urging him to sign this legislation into law.

The bill changes the State's long-standing policy of paying substantially lower rents to NYCHA on behalf of public assistance households than it pays to all other public housing authorities and private landlords, and allows for equitable allowance funding. NYCHA received ongoing operating subsidies from the State until Governor Pataki eliminated this support in 1998. In 2006 alone, the state-constructed developments accounted for \$62 million of NYCHA's structural deficit.

"Affordable housing for all New Yorkers is a key part of the Senate Democrats' 9 to 5 Agenda, so we applaud Governor Spitzer for signing legislation to put the New York City Housing Authority on equal footing with private landlords when it comes to shelter allowance

payments," said Senate Democratic Leader Malcolm A. Smith (D-Queens). "This bill restores funding that NYCHA has been forced to operate without, and eliminates drastic cuts that would have a devastating effect on the working families who depend on NYCHA for their housing as well as on the employees who work there."

"About a half a million people, particularly many low-income women with children, live in NYCHA housing—more people live in NYCHA housing than many major U.S. cities," declared Senator Liz Krueger (D-Manhattan), Ranking Member of the Senate Standing Committee on Housing, Construction and Community Development. "With affordable housing in crisis mode, it is not wise from either a moral or an economic standpoint to allow public housing of that scale to disintegrate."

NYCHA includes 118,000 units in 340 developments around New York City.

Being shortchanged has had a disastrous effect on NYCHA as the agency has had to cut key areas of service and maintenance to their facilities. Recently, NYCHA announced that it will be forced to lay off 500 employees, reduce services, and look at other drastic measures, which will have a negative effect on the City's most needy populations. Approximately 15.8% of NYCHA's residents receive public assistance meaning NYCHA, by their own account, would receive an estimated \$62 million annually after full phase in (year 2) if it received the same shelter allowance as all other landlords in the City.

Between 1958 and 1974, New York State built more than 12,500 units of public housing in 15 developments in New York City. NYCHA is responsible for the day-to-day operation of these apartments. Last year, Mayor Bloomberg and the New York City Council collaborated to inject a one-time emergency infusion of \$120 million to NYCHA, without which it is doubtful the agency would have been able to continue to successfully run the nation's finest public housing system.

"The Governor understands that New York must step up to bat and preserve public housing, which is a huge shift from the failed housing policies of the Pataki administration. While public housing has been forced to survive decades of neglect from the federal and state government, it is very important to remember that the preservation of public and affordable housing is key to strong, sustainable communities and a vibrant economy," Senator Krueger concluded.