Child Poverty Reduction Advisory Council Housing Committee

Meeting 01 – June 13, 2023

Reminders – Administrative Items

- Meetings are being recorded and live streamed

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Welcome

Welcome

- **Committee Co-Chairs** – Remarks
  Richard Buery, Robin Hood Foundation
  Pamela Walcott, Community Member
  Allison Lake, Westchester Children's Association

- **Committee Members** – Introductions

  o Name, where you are from, and overview of your organization

  o Experience with child poverty, housing policy, what interests you about this Committee

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Goals for Housing Committee Meeting

- Review procedural / organizational matters

- Recap of evidence-based research discussed by CPRAC

- Begin discussion of Housing Choice Voucher Program and Renters Credit reform options

- Outline next steps, goals

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CPRAC
Housing Committee
Procedure and Organization

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Recap – Child Poverty Reduction Act

- **Declares poverty is a problem and a policy priority in NYS**

- **Creates the Child Poverty Reduction Advisory Council (CPRAC)**

  o Sets out broad structure of Council, including statutory appointments

- Charges CPRAC with:

  o studying child poverty in NYS,

  o developing recommendations for reducing child poverty by 50% over 10 years

  o measuring and reporting on progress towards that goal

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Recap – CPRAC

- **17 statutory members**

- Agreed on need for additional expertise, and greater experiential, geographic, and demographic diversity

- Additional members serve as "advisory experts" - not as voting members

- Advisory experts will participate in CPRAC mission via committee structure

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Committees – Procedure and Organization

- **Housing Committee is one of five subject-area committees**

    1. Tax Policy, 2. Public Benefits, 3. Housing, 4. Employment/Wages, 5. Childhood

- Each committee will convene after the statutory members of CPRAC have met for orientation on each subject. Subjects covered so far include:

    o Tax Policy
    o Housing
    o Employment/Wages

- Based on these CPRAC orientations, evidence-based research, and comprehensive data analyses, committees will help develop specific recommendations in each policy area:

- Each committee will determine their form and function as a group, including schedule

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Housing Committee – Organizational Goals

- **Governing policies and procedures:**
  - o Open Meetings Law
  - o Videoconferencing Policy
  - o Committee convene independently of the larger body
- **Organizational questions to resolve:**
  - o Recommendations due to larger CPRAC group when?*
  - o In Person/Virtual/Hybrid
  - o Cadence of Meetings, Length of Meetings
  - o Adding agenda items
- o *CPRAC report incorporating all subject-area recommendations to be released by end of 2023

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Recap
Housing

Recap – CPRAC work to date

- **In meetings of CPRAC statutory members, we've begun exploring each key policy area**
  - o To orient members, we presented research on anti-poverty proposals in each topic area
  - o We also heard from Council members with lived experience in each topic area
  - o For each topic area, we began discussing reform options to reduce child poverty

- **Through this process, our goal as a group has been to:**
  - o Learn from leading scholars in the field
  - o Learn from New Yorkers who've interacted with relevant policies
  - o Establish shared foundation of facts: context, data, evidence, opportunities

- **CPRAC discussed Housing on March 7– started with focus on HCVP and a Renter's Credit:**
  - o Committee will build on the facts established in CPRAC's orientation/exploration of these policies

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Recap – Poverty in New York

- CPRAC is using Supplemental Poverty Measure (SPM) as key metric

- As of 2019, 3 million+ New Yorkers (~16% of all New Yorkers) are living in poverty*
  - **745,000 New Yorkers under age 18 (~19% of all New Yorkers <18) live in poverty**
    At or below the 100% Supplemental Poverty Rate, using the ACS-based SPM

- Based on available public data and internal analyses, rough snapshot of demographic breakdown of child poverty in New York (<100 percent ACS, <18 years old):
  - >18 percent of children in NY are living in poverty or nearly 1 in 5
  - Percent in poverty increases to 25 percent for black New Yorkers, 23 percent for Hispanic New Yorkers
  - Almost 3x as many white children in poverty outside of NYC as in NYC
  - ~60 percent of children in poverty live with at least one employed parent
  - ~60 percent of children in poverty live with only one parent

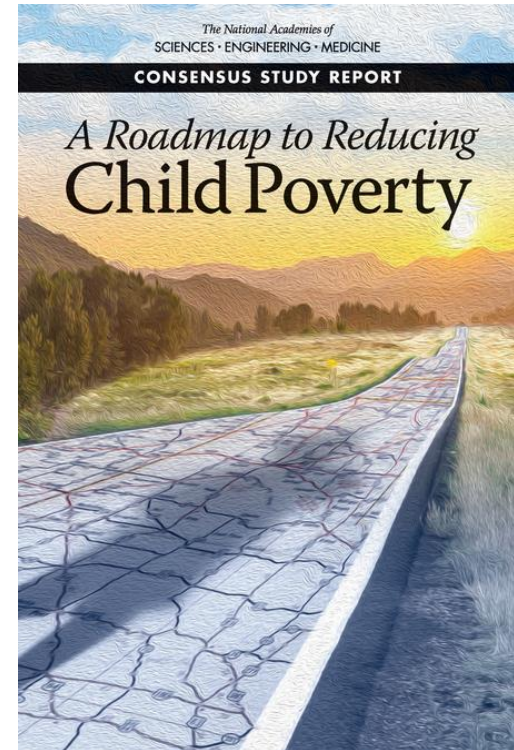- Researchers at Urban Institute are developing updated comprehensive poverty data for NYS

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Recap – Housing Policies

- **In CPRAC's orientation on Housing, we explored research findings and real-world implementation data that show how different housing policy options <u>reduce poverty</u>:**

  o In 2019, NAS "Roadmap to Reduce Child Poverty" found that housing assistance reforms would have the second biggest poverty poverty-reduction impacts of any evidence-based policies they examined, with increased # of vouchers for families and improved utilization projected to reduce child poverty in NY by over ~16%

  o We learned about the housing affordability crisis from experts at NYU's Furman Center, who showed how rent increases are outpacing wage increases, resulting in growing rent burdens, especially for the lowest-income tenants

  o Scholars from Columbia and Stanford shared research shared showing how different types of housing assistance have different poverty-reduction effects (current Housing Choice Voucher program reduces poverty by ~14%; converting to an entitlement approach, could reduce child poverty by ~48%; meanwhile a tax credit for renters designed to alleviate housing cost burden is projected to reduce poverty by 14%)

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Research Recap – National Academy of Sciences' "Roadmap" on Housing Vouchers

- NAS' "Roadmap" explored two housing voucher reform options that would increase the number of housing vouchers available and utilization of those vouchers

- One housing voucher proposal (see Option #2) to reach 70 percent of eligible families with housing vouchers reduced child poverty by more than 25 percent

- This proposal had the second largest impact reducing child poverty in NY of any of the evidence-based policies studied by NAS, achieving more than half of the 50 percent poverty reduction goal in NY

Package or Policy	Description	Percent change from 2015 Baseline
		100% SPM
Housing Voucher Policy *Option #1*	Increase the number of vouchers directed to families with children so that 50 percent of eligible families not currently receiving subsidized housing would use them.	-16.2%
Housing Voucher Policy *Option #2*	Increase the number of vouchers directed to families with children so that 70 percent of eligible families not currently receiving subsidized housing would use them.	-25.6%

The National Academies of
SCIENCES · ENGINEERING · MEDICINE
CONSENSUS STUDY REPORT
A Roadmap to Reducing Child Poverty
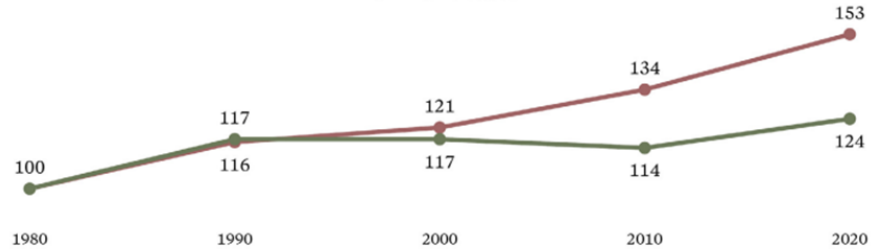
Research Recap – NYU Furman Center

- **NYU Furman Center shared key facts and figures about housing affordability in NY:**

  o Rent increases are outpacing wages

  o Share of rent-burdened households (spending >30% income on rent) has increased

  o In 2019, close to half of renters in NYS were rent burdened, meaning roughly 1.7 million families across the state experienced rent burden

  o At lower income levels, over 75% of renters are burdened by housing costs

  o Extremely limited housing availability across NYS, measured by "housing vacancy rate," only gets more acute in places like NYC and for the lowest-income households

  o Studies find not enough new housing to meet the need

NYU
Furman
Center

Research Recap – NYU Furman Center

NYU Furman Center study: rent increases have been rapidly outpacing wage growth since 2000

Figure 3: Index of Real Median Gross Rent and Real Median Household Income

● Median Gross Rent ● Median Household Income (*Index = 100 in 1980*)

New York State

	1980	1990	2000	2010	2020
Median Gross Rent	100	117	121	134	153
Median Household Income	100	116	117	114	124

New York City

|	1980	1990	2000	2010	2020
Median Gross Rent	100	119	124	147	174
Median Household Income	100	128	128	124	140
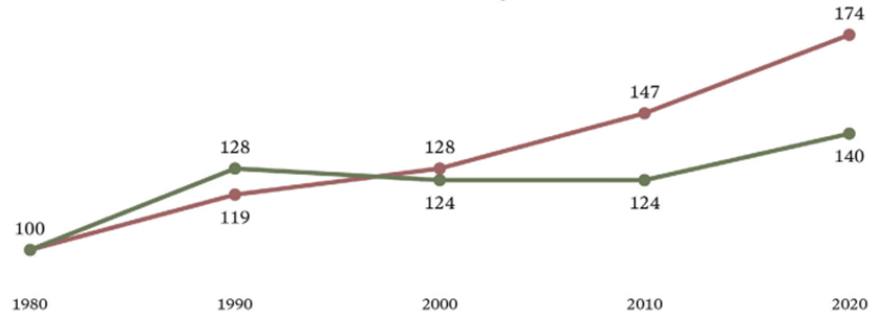
Sources: Decennial Census Data (1980-2000), ACS Data (2010-2020), NYU Furman Center

NYU Furman Center

Research Recap – NYU Furman Center

NYU Furman Center showed how many New Yorkers meet HUD's definition of rent burdened (spending over 30% of income on rent), including what portion are moderately rent burdened (30-50% of income on rent) and what portion are severely rent burdened (over 50% of income on rent)
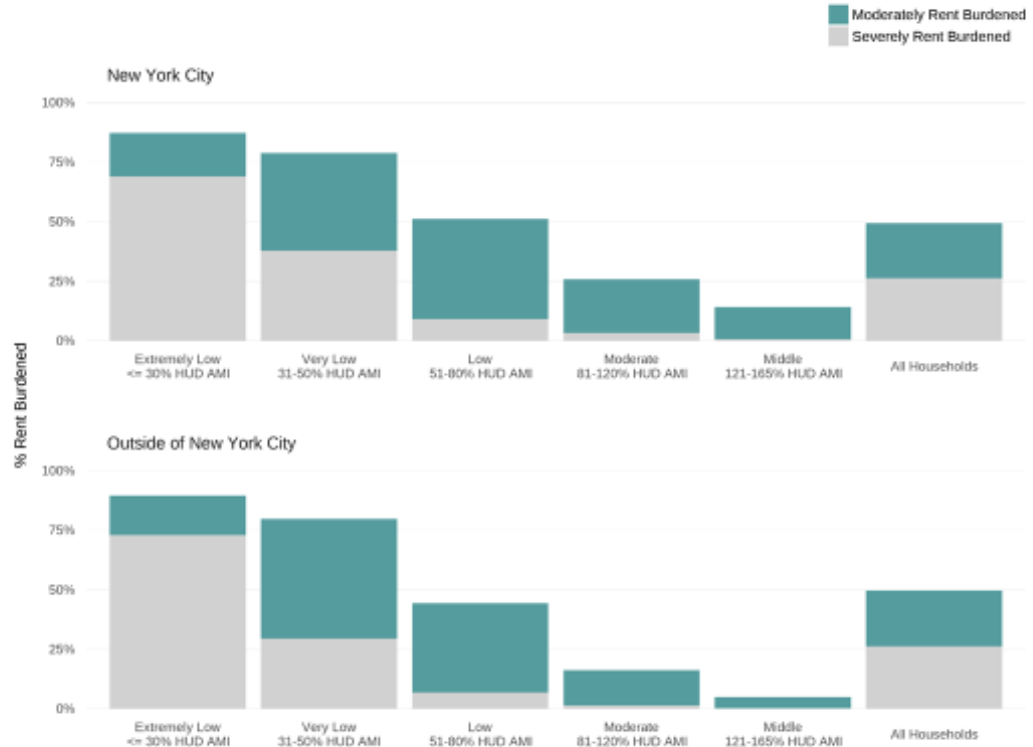
Share of Households that are Rent Burdened, 2017-2021
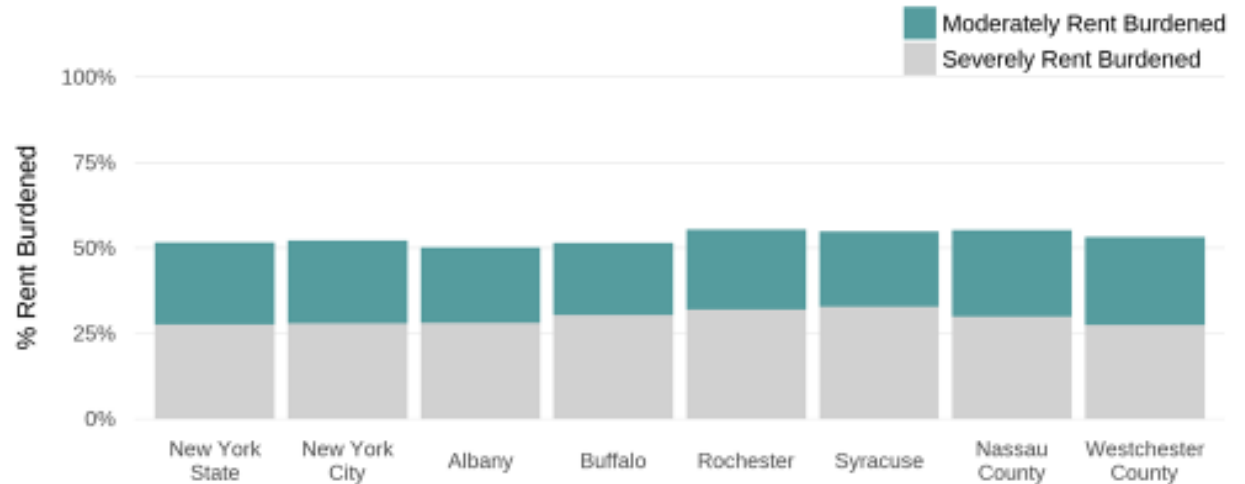
Sources: American Community Survey 5-year estimates (2017-2021), NYU Furman Center

Research Recap – NYU Furman Center

Furman Center also explained how this rent burden is distributed by income, showing that lower-income households experience much higher rates of rent burden (both moderate and severe)

Rent Burdened Share by Income, 2019

Legend: Moderately Rent Burdened, Severely Rent Burdened

New York City

Categories (x-axis): Extremely Low <= 30% HUD AMI, Very Low 31-50% HUD AMI, Low 51-80% HUD AMI, Moderate 81-120% HUD AMI, Middle 121-165% HUD AMI, All Households

Outside of New York City

Categories (x-axis): Extremely Low <= 30% HUD AMI, Very Low 31-50% HUD AMI, Low 51-80% HUD AMI, Moderate 81-120% HUD AMI, Middle 121-165% HUD AMI, All Households

y-axis: % Rent Burdened

Sources: IPUMS USA, University of Minnesota, NYU Furman Center

Research Recap – NYU Furman Center

According to Furman Center, NYS law defines a housing vacancy rate below 5% as a "housing emergency"

NYS currently faces a ~4% vacancy rate statewide, which decreases further in areas such as Buffalo, Westchester, Nassau County. In NYC, it drops to <1% for housing for lowest-income households (homes listed below $1,500/month)

Vacancy Rates in Rental Buildings

New York State
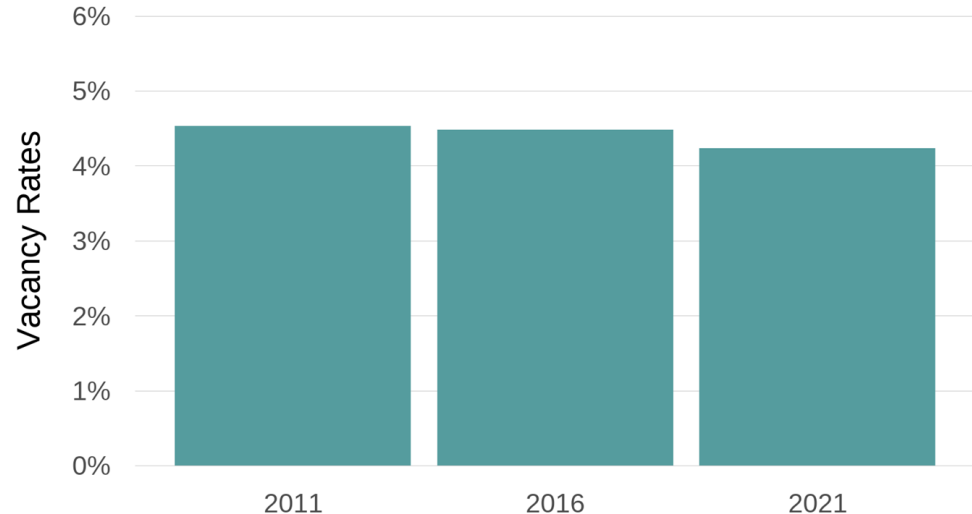
Sources: American Community Survey 1-year estimates 2011, 2016, 2021, NYU Furman Center

NYU Furman Center

Research Recap – Columbia University's Center on Poverty and Social Policy (CPSP)

CPSP discussed the Housing Choice Voucher Program, which covers excess rent burden over 30% of household income – and pointed out that 7 out of 10 eligible households do not receive one.

Why do 7 in 10 eligible low-income households in NY not receive HCV?

- HCVP is administered by local housing authorities, where interested families must apply to participate (presenting an initial geographic limitation in reaching all eligible families).

- Annually, Congress provides funding for HCVs through the appropriations process, but there isn't enough funding provided to guarantee vouchers to all eligible renters. This means that money for the program and vouchers is limited, resulting in waitlists.

- Eligible families can get on the HCVP waitlist (where available) – but for those who eventually receive an HCV in New York, the average wait time is 31 months.[1]

- Consequently, most remain unassisted (and even assisted families can have difficulty using vouchers).

[1]The data was collected by the Center on Budget and Policy Priorities: https://www.cbpp.org/research/housing/families-wait-years-for-housing-vouchers-due-to-inadequate-funding
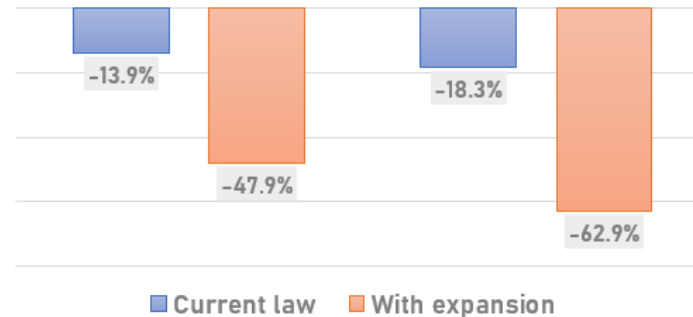
CENTER ON
POVERTY &
SOCIAL POLICY
at Columbia University

Research Recap – Columbia University's Center on Poverty and Social Policy

CPSP studies find that the current HCVP reduces poverty by ~14%; alternatively, transforming into an entitlement program would reach more New Yorkers (all eligible New Yorkers), and could reduce poverty by almost 50%

How might transforming the HCVP into an entitlement program affect the poverty rate in New York State?

	Overall		Among Eligible	
Child poverty rate without housing subsidies	18.9%		43.1%	
Child poverty rate with housing subsidies	Current law	Expansion	Current law	Expansion
	16.3%	9.9%	35.3%	16.0%

Percent reduction in the poverty rate associated with housing subsidies

−13.9% −47.9% −18.3% −62.9%

■ Current law   ■ With expansion

CENTER ON POVERTY & SOCIAL POLICY at Columbia University

Research Recap – Columbia University's Center on Poverty and Social Policy

- **CPSP shared ways to strengthen housing assistance in NY:**

  o Increase value of vouchers

  o Increase number of vouchers available through State-funded effort

  o Modify eligibility to reach more New Yorkers with housing assistance

  o Transform voucher program from capped/rationed system to entitlement program (where all who are eligible are guaranteed a voucher, like SSI or SNAP)

  o Expand administration/availability so assistance is not geographically limited to PHAs

  o Address source of income discrimination

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POVERTY &
SOCIAL POLICY
at Columbia University

Recap – Renters Credit

- A Renters Credit is a tax credit for renters who meet certain criteria (such as high rent compared to income), designed to cover some portion of excess rent beyond 30% of income, could be refundable
  - Available to all renters without geographic constraints or waitlists
  - Does not require landlord participation (preventing discrimination)
  - Leverages existing infrastructure for tax filing/administration
  - Parameters can be adjusted (% of excess rent covered, etc.)
  - Can be refundable so low- and no-income NY-ers receive as a payment (like EITC or CTC)
  - Based on verifiable rent, which is collected/reported for many other programs
- Key context:
  - Existing voucher programs only reach small fraction of those with unaffordable housing
  - Government subsidizes homeowners via tax system, but not renters

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Recap – Renters Credit

- While New York State does have an existing renters credit, it is a limited program:
  - o Narrow eligibility for renters (income <$18,000, rent <$450)
  - o For households paying max monthly rent, max credit of $75 only covers 1% of annual rent
  - o $18M allocated for both homeowners *and* renters/owners via "Real Property Tax Credit for Homeowners and Renters" (compared to $13B to support/subsidize *homeowners* alone via NYS mortgage and investment interest deduction)
- Examples of other states with existing programs include:
  - o Minnesota, Connecticut, Maine, Montana, Utah, and Vermont
    - ➤ Include refundable credits and higher maximum income limits (starting at $32K)
  - o These states use a range of credit designs including
    - ➤ $58,880 max income in Minnesota, with an over $2K refundable maximum credit
    - ➤ $47,000 max income in Vermont, with a $3K refundable maximum credit
    - ➤ Utah considers utility amounts in addition to rent and income when calculating the credit amount

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Research Recap – Stanford University Center on Poverty and Inequality (SCPI)

Scholar Sara Kimberlin from SCPI outlined the key features to consider when designing a tax credit for renters, with different parameters having different effects on poverty

Key Questions for Credit Design

- **Rent burden target** – credit reduces rent burden to x% of income
- **Share of excess rent burden covered by credit** – 100%, 50%, other share
- **Income definition** – gross income, taxable income, income net of taxes
- **Income cap** – cutoff vs. phase-out
- **Rent cap** – maximum rent allowed for calculation of rent burden, e.g. FMR, SAFMR
- **Adjustment for family size** – Used to assign rent cap, e.g. based on assumed number of bedrooms required
- **Accounting for households that include multiple tax units** – through adjustment for family size or other strategies
- **Exclusions from eligibility** – e.g. renters with other housing subsidies

STANFORD CENTER ON POVERTY & INEQUALITY

Research Recap – Stanford University Center on Poverty and Inequality

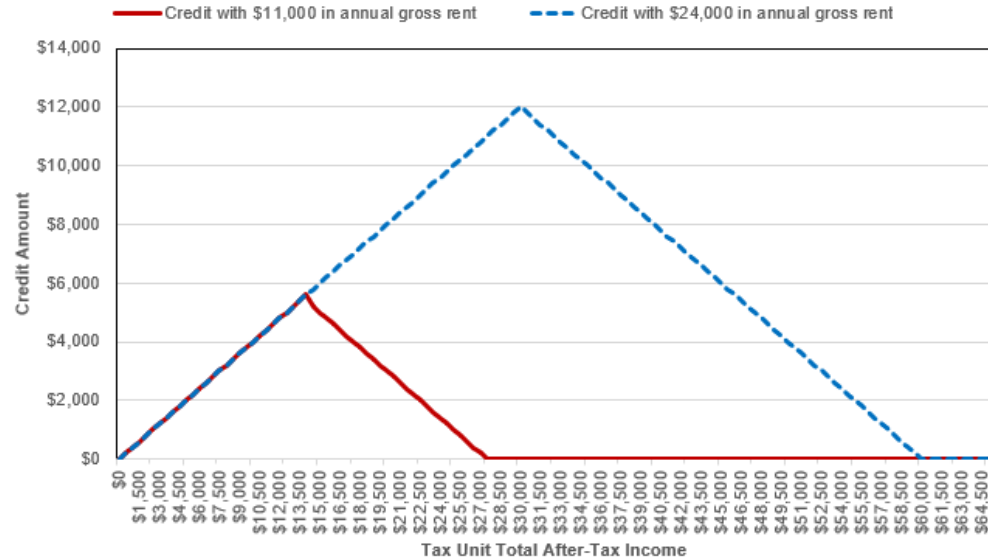## Model Credit from Kimberlin, Tach, & Wimer

Kimberlin then presented the features of a sample credit that SCPI modeled and studied – designed to cover all excess rent beyond 40% of income

- **Rent burden target:** Reduces rent paid to 40% of income
- **Share of excess rent burden covered by credit:** 100%
- **Income definition:** Gross income for all members of tax unit, net of income tax liabilities and credits
- **Income cap:** No cutoff, phases out to $0 credit at [rent cap / 0.4]
- **Rent cap:** Population-weighted average 2-bedroom FMR statewide, with separate caps for all metro areas combined and all non-metro areas combined
- **Adjustment for family size:** FMR bedrooms assigned based on number of tax dependents (0 dep=1 bdrm, 1 dep= 2 bdrm, 2 dep= 3 bdrm, 3+ dep= 4 bdrm)
- **Exclusions from eligibility:** renters with other housing subsidies, individuals with no rent paid, credit capped for individuals reporting >80% of income paid toward rent

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Research Recap – Stanford University Center on Poverty and Inequality

SCPI demonstrated what the schedule of this renters' credit would look like, for renters with $11,000 in annual rent (<$1,000/mo) vs renters paying $24,000 in annual rent ($2000/mo)

Simulated Renter's Tax Credit Schedule

Legend: Credit with $11,000 in annual gross rent — Credit with $24,000 in annual gross rent (dashed)

Y-axis: Credit Amount ($0 to $14,000)
X-axis: Tax Unit Total After-Tax Income

Research Recap – Stanford University Center on Poverty and Inequality

- **The renters' credit modeled by SCPI was found to have a range of positive effects:**

  o More than 2 million New Yorkers who live in rental housing would benefit from this credit

  o Would reach more than 62% of all New York renters living in poverty (most of those not currently served by vouchers)

    ➤ Projected to reduce poverty by 14% among all renters and 23% among beneficiaries

  o Would reach reaching nearly 80% of severely rent-burdened tenants (going beyond just those in poverty)

    ➤ Projected to reduce severe rent burden by more than 10%

Research Recap – Renters Credit Options

- **SCPI offered the following additional considerations for implementing renters' credits:**

  o Could face similar challenges as EITC and CTC in terms of access and enrollment

  o Documentation requirements, with tradeoffs for beneficiaries, landlords, tax administrators

  o Outreach and tax filing assistance crucial for reaching households that don't typically file taxes (with lowest incomes, these households may be in most dire need of relief)

  o Account for risk of rent inflation, depending on scale and targeting

  o Disbursement schedule (lump-sum vs periodic payment), with tradeoffs for matching rent timing, administration, coordination with other public benefits

Recap – Lived Experience

- While the projected impacts of programs like these are very important, we also need to hear directly from New Yorkers that have experienced poverty and utilized related programs

- Often gaps between models that assume 100% uptake (and its associated impact), versus real-world implementation where programs may not reach all eligible families

- In addition to designing anti-poverty programs more effectively (via expansions, increases, etc.), must ensure that eligible families know that help is available - and know how to apply and enroll

- Recommendations must incorporate the perspectives of our Council members and other New Yorkers with lived experience

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Recap – Lived Experience

- **CPRAC statutory members who've lived in poverty provided testimonials about their experiences with housing, affordability, and rental assistance:**
- Pamela Walcott (New York City):
  - o Finding and affording housing are major challenges
  - o Has experienced homelessness
  - o Currently receives rental assistance (CityFHEPS from City government), but experienced source of income discrimination during the search for housing
- Candace Cabral (Rochester):
  - o Finding and affording housing are major challenges
  - o Has experienced homelessness
  - o Has received rental assistance (Section 8 from Federal government)
  - o Difficulties applying for, accessing, and maintaining benefits

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Discussion
Housing

New York State of Opportunity | Child Poverty Reduction Advisory Council

Housing Vouchers: Key Reform Options

- **As recapped, there are several options to consider for reforming and strengthening housing assistance provided via vouchers in New York State:**
  - o Adjust eligibility/value of State level vouchers to reach New Yorkers excluded from HCV
  - o Increase total number of HCV-type vouchers available at State level so that more eligible families are able to receive them than the current allotment from the Federal government
  - o Implement entitlement approach to a State voucher program that provides housing assistance via vouchers to all eligible households, without a cap
  - o Expand administration so that assistance is not geographically limited
  - o Mitigate source of income discrimination
- Each reform option and policy iteration will have different poverty-reduction/cost impacts

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Renters Credit: Key Reform Options

- **As recapped, a renters credit is another potential tool for providing tenants with assistance amid a statewide affordability crisis:**
  - o Determine rent burden target and share of excess rent burden to be covered by credit
    - ➢ For example, credit to cover rent beyond 50% of income would target severely rent burdened, while a credit that covers rent beyond 30% or 40% of income would target rent burden more widely
    - ➢ What % of excess rent would be covered – i.e. all or half of rent beyond 30% income?
  - o Set eligible income levels, who would qualify, and how/at what income the credit phases out
  - o Establish parameters for recipients
    - ➢ Max rent, adjustments for family size, any exclusions

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Housing Policies: Additional Considerations

- **The following are key points for any recommendations to reform housing policy in New York:**
  - o Increase supply of affordable housing options
  - o Ways to stabilize and/or reduce rental costs
  - o Tenant protections
  - o Housing quality

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Housing Policies: New Analyses and Data Needs

- **Renowned researchers at Urban Institute who helped develop NAS "Roadmap" are preparing comprehensive analysis of poverty in NYS, including microsimulation modeling**

  o Urban will assess: baseline ("before"), where NYS is now (as of the Enacted 2023 Budget), and the projected impacts of several different policies (individually and in combination)

  o Will begin to receive updated comprehensive data on 2019 baseline soon

  o Will begin to receive data on policy simulations, including housing voucher reforms and renters credit, this summer

- **Other data needs**

  o Office of Temporary and Disability Assistance (OTDA)?

  o Homes and Community Renewal (HCR)?

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Looking Ahead
Next Steps

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Next Steps – Future Discussions

- **Other housing policies to discuss:**
  - o Are there other housing policies or policy research we should be considering?

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Next Steps – Looking Ahead at 2023

- **Next Housing Policy Committee meeting?**

- **Target date for developing recommendations?**
  - o CPRAC statutory members will compile report with recommendations in fall/winter
  - o Goal of solidifying by August/September?

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Closing

Closing

- **Committee Co-Chairs** – Remarks
  Richard Buery, Robin Hood Foundation
  Pamela Walcott, Community Member
  Allison Lake, Westchester Children's Association

Questions? Comments? Feedback?

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Thank you!

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