NYS Child Poverty Reduction Advisory Council

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New York State’s Housing Affordability Problem

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

*Index = 100 in 1980*

**New York State**

1980: 100
1990: 117
2000: 121
2010: 134
2020: 153

**New York City**

1980: 100
1990: 119
2000: 124
2010: 147
2020: 174

Sources: Decennial Census Data (1980-2000), ACS Data (2010-2020), NYU Furman Center
Rent Burdened: HUD Definitions

- Rent Burdened – spending more than 30% of income on rent
  - Moderately rent burdened: spending 30-50% of income for rent
  - Severely rent-burdened: spending >50% of income on rent
New York State’s Housing Affordability Problem

Share of Households that are Rent Burdened, 2017-2021

Sources: American Community Survey 5-year estimates (2017-2021), NYU Furman Center
Root Causes

Why are we paying more of our incomes on housing?

- We aren’t building enough
- Structural inequality
- Shrinking competition in housing sector
We Aren’t Building Enough

- Definition of “healthy” vacancy rate varies, but NYS law defines vacancy rate below 5 percent in NYC as a “housing emergency”
- Statewide vacancy rate in 2021: ~4%
- Average vacancy rates for areas like NYC, Buffalo, Westchester, and Nassau County are even lower – all below 4%
- Crisis even more acute for more affordable units: vacancy rate for NYC homes listed below $1,500/month was less than 1% in 2021

Vacancy Rates in Rental Buildings
New York State

Sources: American Community Survey 1-year estimates 2011, 2016, 2021, NYU Furman Center
We Aren’t Building Enough

<table>
<thead>
<tr>
<th>County</th>
<th>Housing Units Permitted (Per 1,000 Residents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hudson County, New Jersey</td>
<td>64.9</td>
</tr>
<tr>
<td>Ocean County, New Jersey</td>
<td>40.1</td>
</tr>
<tr>
<td>Union County, New Jersey</td>
<td>31.3</td>
</tr>
<tr>
<td>Bergen County, New Jersey</td>
<td>28.3</td>
</tr>
<tr>
<td>Essex County, New Jersey</td>
<td>27.5</td>
</tr>
<tr>
<td>Middlesex County, New Jersey</td>
<td>26.0</td>
</tr>
<tr>
<td>New York City, New York</td>
<td>23.8</td>
</tr>
<tr>
<td>Monmouth County, New Jersey</td>
<td>23.4</td>
</tr>
<tr>
<td>Westchester County, New York</td>
<td>13.9</td>
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<tr>
<td>Rockland County, New York</td>
<td>10.8</td>
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<tr>
<td>Nassau County, New York</td>
<td>7.0</td>
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<tr>
<td>Suffolk County, New York</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau Building Permits Survey (2014-2021), American Community Survey (2014), NYU Furman Center

Structural Inequality

Weak labor market for moderate/low-income earners.

Growing gap between high/low earners

High earners bid up rent

Existing Programs: Housing Choice Vouchers

- Housing Choice Voucher Recipients
  - Voucher program helps more than 270,000 households in NYS pay rents for homes on the private market
  - Recipients typically pay 30% of income, and local housing agencies subsidize rents, up to local payment standard
  - Households must have incomes < 50% of AMI, but most have incomes < 30% of AMI

- Research shows that housing vouchers
  - reduce rent burdens
  - reduce crowding
  - reduce homelessness
  - improve children’s performance in school
Existing Programs: Housing Choice Vouchers

- But only a small share of eligible households receive vouchers, and they must wait years to get them
  - Average voucher recipient in NYS in 2020 waited for 31 months (CBPP, 2021).
- And many fail to use their vouchers
  - Time limits on finding housing with voucher
  - Units cannot charge rents much above payment standard
  - Units must pass housing quality inspections, and
  - Landlords must accept tenant with voucher (source of income discrimination)
- Our [new estimates](#) show that 60% of voucher recipients in the U.S. lease up with their vouchers.
  - Lots of variation across PHAs, including in NYS
    - Schenectady: 52%
    - City of Buffalo: 56%
    - Syracuse: 67%
Existing Programs: CityFHEPS

- CityFHEPS is a rent supplement for families with children who receive cash assistance
- Subsidies last for up to five years
- Eligibility
  - Income up to 200% of poverty
  - Homeless or at risk of homelessness/eviction
- Only available in NYC
Potential New Interventions

A. New York State Voucher Program
B. New York State Renter Credit
C. Standing Emergency Rental Assistance Program
Potential New Interventions

▪ New York State Voucher Program
  • Long-term rental assistance for low-income households unable to receive federal vouchers

▪ New York State Renter Credit
  • Tax credit to renters below specified income threshold; lower admin costs, less visible to landlords, no inspection requirements, so more homes covered

▪ Standing Emergency Rental Assistance Program
  • Emergency support for renters facing unexpected financial shocks
This research has been prepared by a Center affiliated with New York University School of Law and Wagner Graduate School of Public Service, but does not purport to present the schools’ institutional views, if any.