

Congress of the United States

Washington, DC 20515

March 1, 2018

Honorable Ben Carson
Secretary
United States Department of Housing and Urban Development
451 7th Street S.W.
Washington, D.C. 20410

Honorable Mick Mulvaney
Director
United States Office of Management and Budget
725 17th Street, N.W.
Washington, D.C. 20503

Dear Secretary Carson and Director Mulvaney:

We write to you on a matter of pressing concern for the New York City Housing Authority (“NYCHA”) and the future of affordable housing in New York City. NYCHA is the largest public housing authority in the nation and provides safe and affordable housing to more than 400,000 individuals and families in 325 public housing developments across the City’s five boroughs. NYCHA residents are diverse, including seniors, people with disabilities, those who were formerly homeless, as well as people with full time jobs.

In addition to being the nation’s largest public housing authority, NYCHA also administers the nation’s largest Section 8 Housing Choice Voucher (“Section 8”) Program. NYCHA’s sister agency, the New York City Department of Housing Preservation and Development (“HPD”) — the largest municipal housing preservation and development agency in the country, charged with promoting quality and affordable housing throughout New York City — also oversees a large Section 8 program. Combined, these two programs provide more than 125,000 vouchers, making New York City the largest concentration of Section 8 voucher holders anywhere in the United States.

President Donald Trump’s Fiscal Year (“FY”) 2019 proposed Budget Request for the U.S. Department of Housing and Urban Development (“HUD”) threatens the very future of the housing authority, the Section 8 program, and more than half a million New Yorkers that rely on these programs as a reliable source for quality, affordable housing.

New York City is only growing and becoming more difficult to find affordable housing. Now is not the time to disinvest further and risk losing valuable public housing. Our future economic growth is directly connected to our ability to adequately provide affordable housing for our working families and seniors.

Unfortunately, however, budget documents revealed by the White House earlier this month indicate the Trump Administration is considering slashing HUD's overall budget for FY 2019 by \$8.8 billion, which is an 18.3% decrease from FY 2017 enacted levels. The Budget severely cuts or woefully funds key affordable housing accounts and programs. For example, the President's Budget Request completely eliminates funding for HUD's Public Housing Capital Fund, which is the main source of funding NYCHA and other public housing authorities rely on to address necessary infrastructure upgrades such as roofs, boilers and elevators. The President's Budget Request similarly cuts the Public Housing Operating Fund to \$2.8 billion, or by more than one third over FY 2017 enacted levels. If enacted, these cuts will mean residents will have to wait longer for basic services such as apartment repairs, and will have an undoubtable impact on their safety and security.

These budget cuts threaten the very future of affordable housing in New York City. As applied to NYCHA, a \$2.8 billion cut to the Public Housing Operating Fund would result in fewer maintenance staff, longer response times for completing apartment repairs, and an acceleration the deterioration of units. Worse, completely eliminating funding for the Public Housing Capital Fund will cause NYCHA to lose approximately \$346 million in key financing and would prevent NYCHA from keeping current on basic building upgrades, much less moving forward on the authority's five-year capital plan. Cuts to HUD would also exacerbate NYCHA's \$17 billion capital needs backlog and intensify the public health crisis facing its residents.

Due to years of underinvestment, recent estimates indicate that NYCHA has a \$17 billion backlog in needed major capital improvements and repairs. As a result, far too many residents residing in approximately 178,000 NYCHA apartments are struggling with sub-standard living conditions.

Excessive moisture in NYCHA buildings due to leaky roofs, crumbling bricks, and old piping has contributed to well publicized mold issues in NYCHA units. This is particularly problematic for residents with asthma, as these conditions may aggravate symptoms, which has been found at a higher rate among public housing residents than among other populations of the city. In fact, one study found that asthma prevalence among low-income children is nearly two times higher than rates among other children across New York City.

Moreover, the President's Budget Request reduces funding for the Section 8 Program, requesting approximately \$19.3 billion, or \$977 million less, than FY 2017 enacted levels. The President's Budget Request would also cause New York City to lose approximately 15,000 Section 8 HCVs. Not only would 15,000 individuals and families lose their ability to pay rent, landlords would immediately lose the income provided by the Section 8 program as well.

But as devastating as these budget cuts appear to be, perhaps worse are the legislative reforms President Trump is proposing for these vital programs, including increasing tenant rent contributions and allowing public housing authorities and even some private owners to implement time limits and work requirements for "work-able residents". These proposals will likely lead to significant increases in monthly rents for New Yorkers already struggling to make ends meet and could force them to choose between paying rent and paying for other vital necessities like nutritious food and healthcare.

For decades, the federal government alongside housing experts and advocates have all agreed that paying more than 30 percent of a family's income to rent was a burden. Now, with this Budget Request, President Trump is walking away from that commitment and, once again, showing that he is out of touch with most Americans' experience.

We urge you to reconsider these legislative reforms and not to cut funding to our nation's public and affordable housing programs, which have been squeezed for years by sequestration caps. NYCHA receives approximately 70 percent of its operating funding and almost all of its capital repair funding from HUD and the impact of these cuts to working individuals and families in NYCHA units could be dire. HUD's programs are vital to the future stability and sustainability of NYCHA and other public housing authorities around the country. Instead, we urge you to propose targeted increases to HUD's public housing programs in order to improve the lives and living conditions for NYCHA residents, Section 8 voucher holders, and all those who rely on HUD's affordable housing programs for their livelihoods.

As a former real estate developer, in New York City, President Trump should understand the fundamental role NYCHA plays in our city and how a targeted investment strategy to HUD's public housing programs could not only improve the lives and living conditions for NYCHA residents, but could also be an engine for job creation and urban revitalization.

Thank you in advance for your attention to this matter.

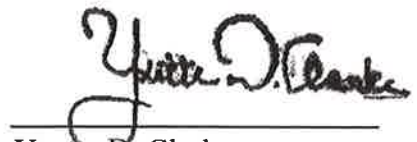

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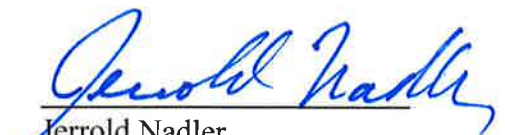

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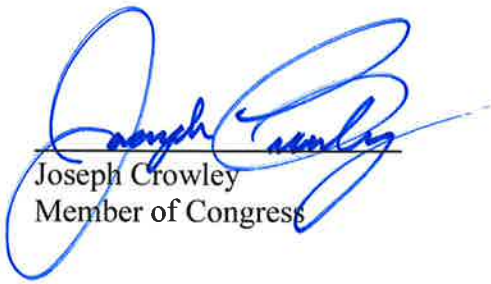

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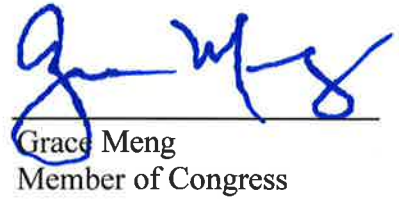

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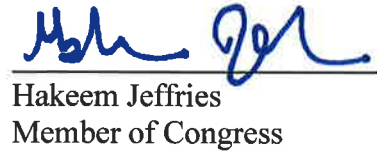

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