

**NYU  
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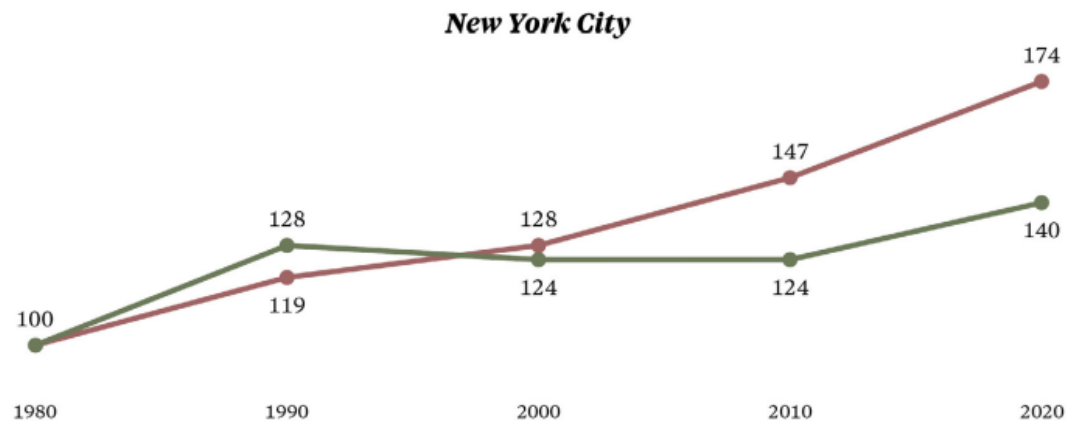
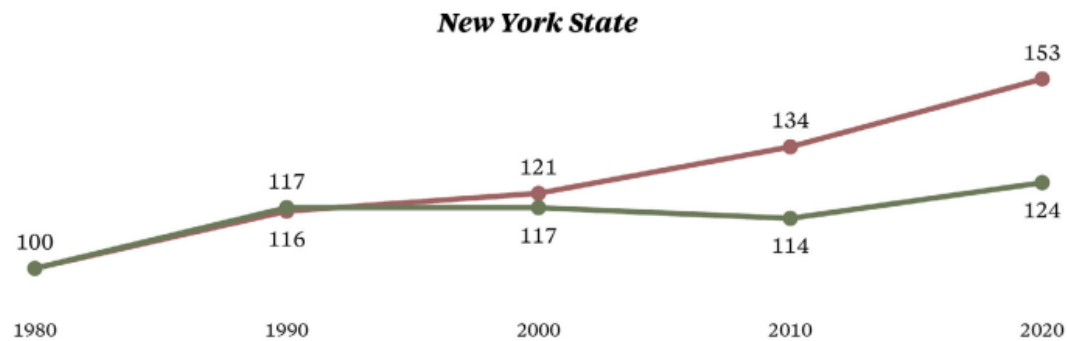
# **NYS Child Poverty Reduction Advisory Council**

**Ingrid Gould Ellen**  
March 7, 2023

# New York State's Housing Affordability Problem

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

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



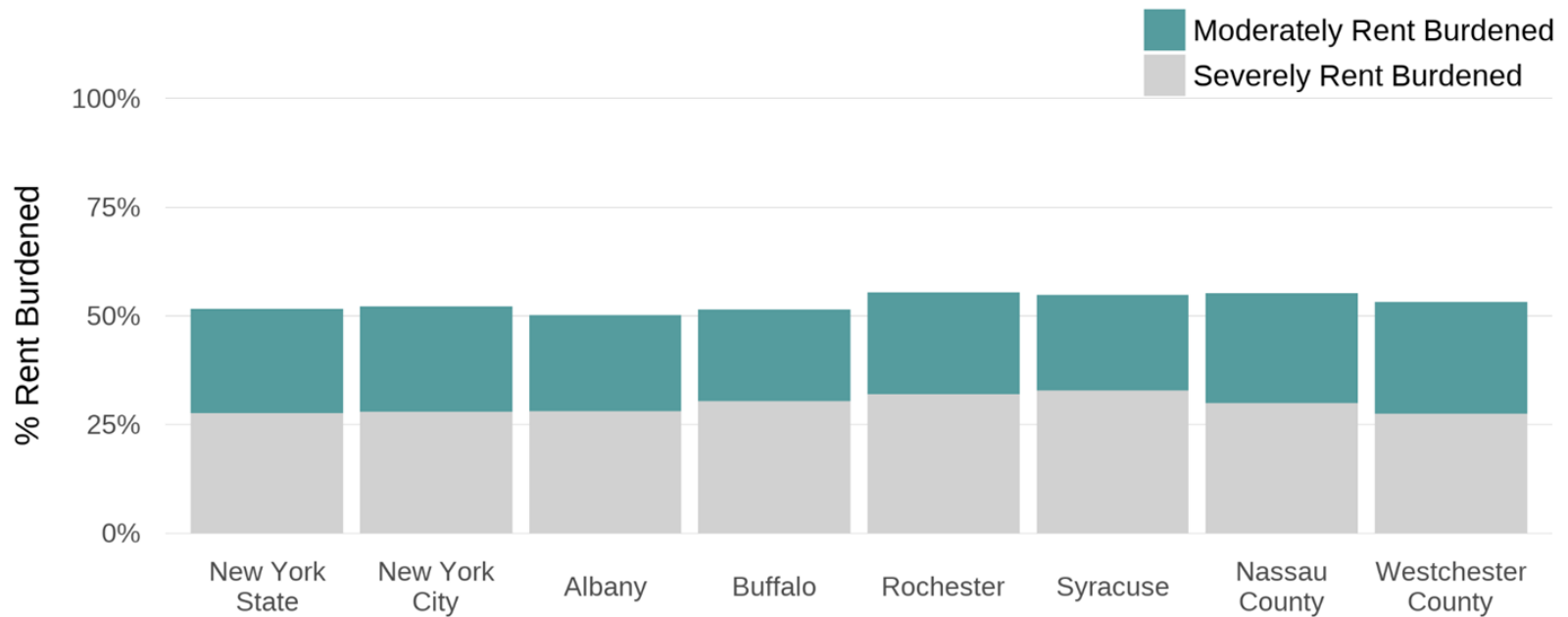
Sources: Decennial Census Data (1980-2000), ACS Data (2010-2020), NYU Furman Center

# 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

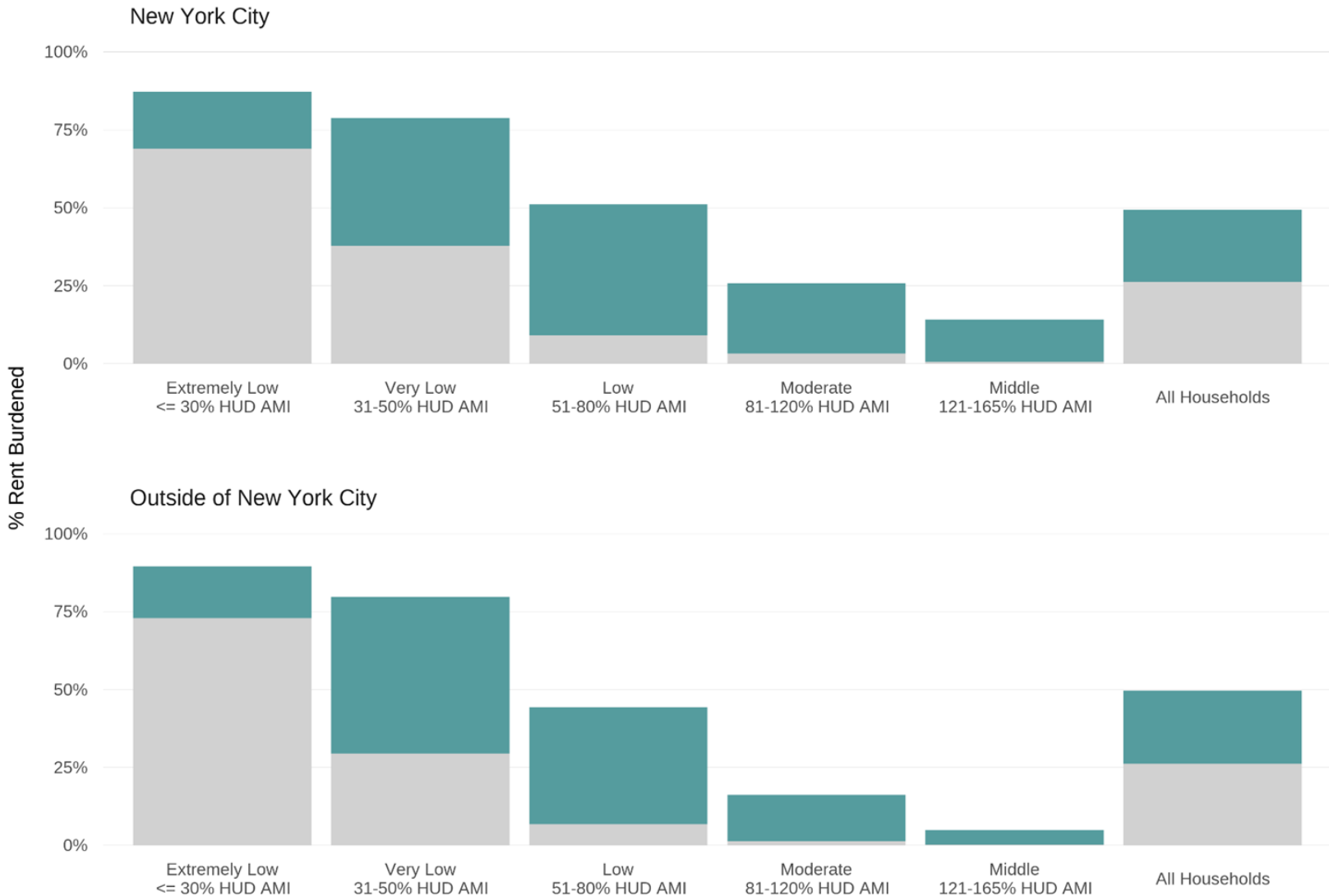
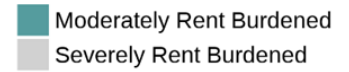
# New York State's Housing Affordability Problem

## Share of Households that are Rent Burdened, 2017-2021



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

# Rent Burdened Share by Income, 2019



Sources: IPUMS USA, University of Minnesota, 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

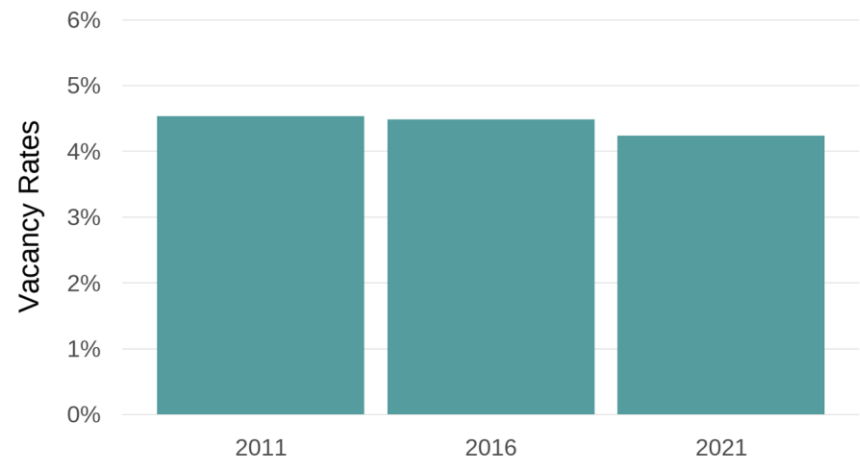


# We Aren't Building Enough

- 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

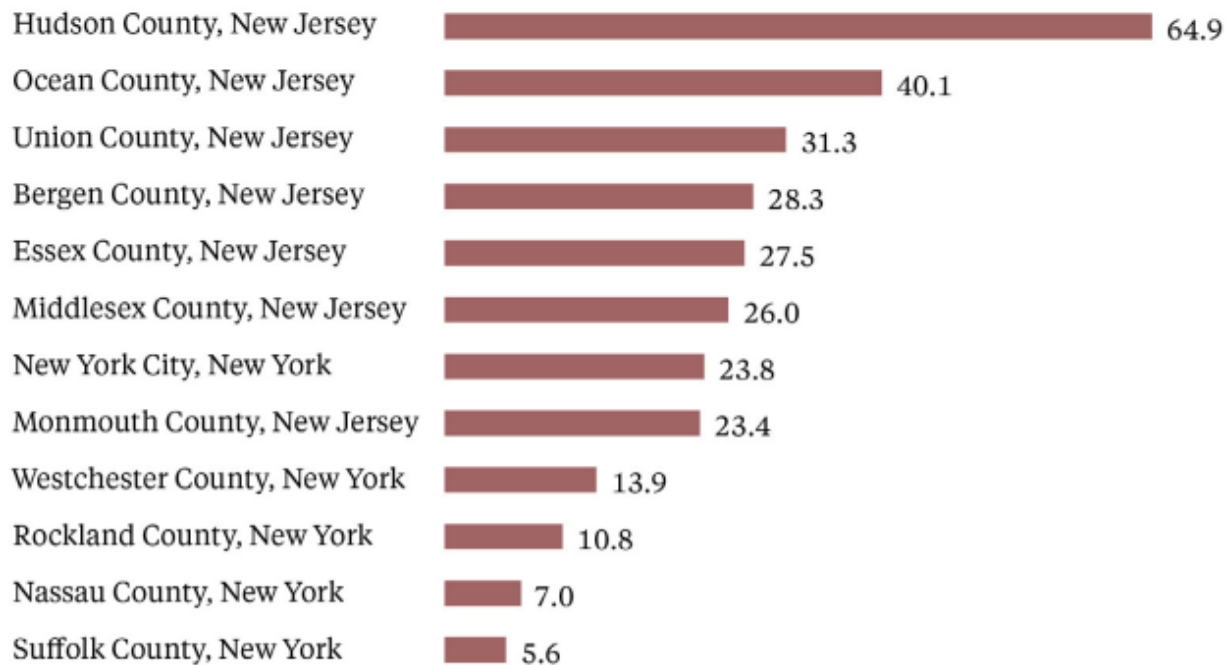
New York State



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

# We Aren't Building Enough

**Figure 5: Housing Units Permitted (Per 1,000 Residents) in New York City and Suburban Counties, 2014-2021**



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

8. Furman Center analysis of U.S. Census Bureau Building Permits Survey (2014-2021) and American Community Survey (2014) data.

9. *The Geography of Jobs: NYC Metropolitan Region Economic Snapshot, Second Edition*. NYC Department of City Planning, Oct. 2019, p. 27 [www1.nyc.gov/assets/planning/download/pdf/planning-level/housing-economy/nyc-geography-jobs2-1019.pdf](http://www1.nyc.gov/assets/planning/download/pdf/planning-level/housing-economy/nyc-geography-jobs2-1019.pdf).



# Structural Inequality

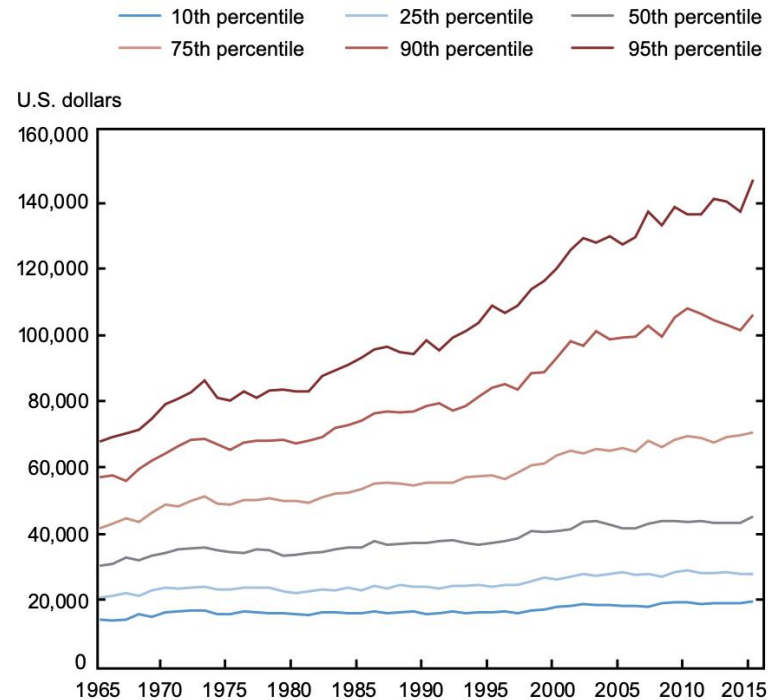
Weak labor market for moderate/low-income earners.

Growing gap between high/low earners

High earners bid up rent

CHART 1

Annual Real Wages for Full-Time Workers in the United States, 1965-2015



Source: Abel, Jaison R. and Deitz, Richard. 2019. "Why Are Some Places So Much More Unequal Than Others?" Federal Reserve Bank of New York. Economic Policy Review, 25, No. 1, December 2019.

Sources: U.S. Census Bureau and Bureau of Labor Statistics, Current Population Survey (IPUMS); U.S. Bureau of Economic Analysis, PCE Price Index.

Notes: Figures are expressed in constant 2015 dollars. Full-time workers are those aged 16-64 working at least thirty-five hours per week and forty weeks per year.

# 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



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*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.*

