

NYCHA's Outsized Role In Housing New York's Poorest Households

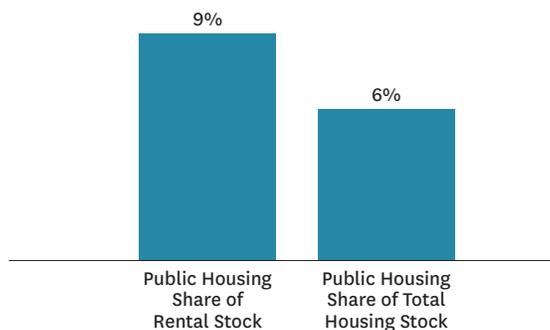
Public housing is a critical part of the affordable housing landscape in New York City. The city's 174,000 public housing units house some 400,000 low-income New Yorkers, or one in every 11 renters in the city.¹ This is far more homes than any other New York City landlord manages and far more than any other public housing authority (PHA) in the United States.² The sheer scale of public housing in the city is one reason the stock is critical, but even more importantly, public housing plays a unique role in providing homes for the city's poorest households. Thus, putting the New York City Housing Authority (NYCHA) on sound financial and structural footing should be a top priority for federal, state, and local policymakers.



Public Housing in the New York City Housing Market

NYCHA is the largest landlord in New York City and accounts for a significant share of the city's overall occupied housing units. Figure 1 shows the share of rental occupied housing stock and total occupied housing stock made up by public housing in the city. Public housing represents almost six percent of all occupied housing citywide, and almost nine percent of all occupied rental housing.³

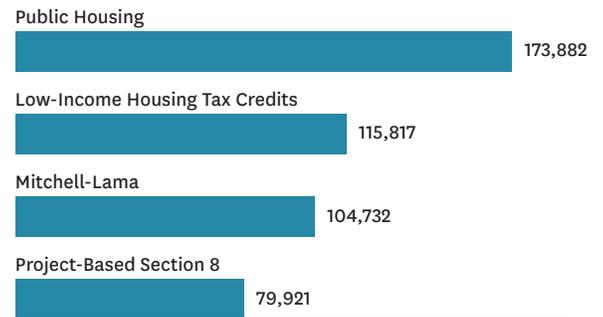
Figure 1. Share of Rental and Total Occupied Housing Stock Made Up By Public Housing in New York City, 2017



Sources: New York City Housing and Vacancy Survey, NYU Furman Center

In addition to being the largest landlord in New York City, public housing comprises a substantial share of the city's affordable housing stock. The city's public housing program provides shelter to more households than any other place-based housing assistance program in the city. Figure 2 shows the number of units available in public housing and in developments subsidized through other place-based housing assistance programs. When compared to Low-Income Housing Tax Credit programs,⁴ Mitchell-Lama, or project-based Section 8 developments, NYCHA's public housing stands out as the program with the largest footprint in the city.⁵

Figure 2. Number of Units Available in Place-Based Housing Subsidy Programs in New York City, 2017



Source: NYU Furman Center, Subsidized Housing Database

³ New York City Housing and Vacancy Survey, 2017

⁴ Here we report the total number of units in properties using the Low-Income Housing Tax Credit, however not all units are under affordability restrictions.

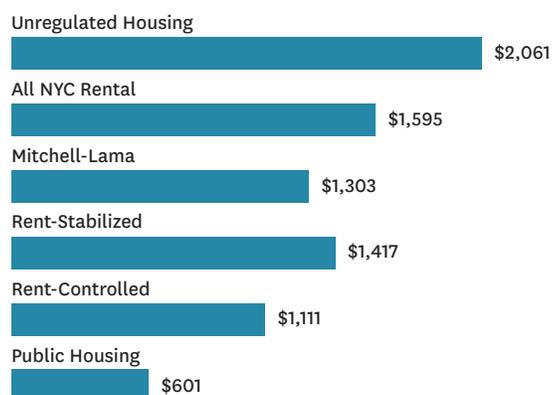
⁵ NYU Furman Center, Subsidized Housing Database

Public Housing is a Uniquely Affordable Part of the Stock

While affordability requirements expire at the end of a regulatory agreement or other subsidy period in the case of most forms of subsidized housing, the affordability of public housing is permanent. Further, unlike most other subsidized housing, rents in public housing adjust with the incomes of residents, allowing them to stay in their homes through job loss or other financial setbacks. Regardless of incomes, residents pay 30 percent of their income for rent. Income-based rents make public housing a unique source of affordable housing in the city. Consider that the median rent paid by public housing residents was about a third of the overall median rent in New York City in 2017, considerably lower than the median rent in other types of affordable housing.

The comparison between rents in public housing and those charged in other rental housing types in New York City is stark. Figure 3 shows the average contract rent by type of rental housing in 2017. The average public housing resident paid \$601 per month, substantially less than the average contract rent in other types of housing. These differences held when comparing average rent per bedroom as well.

Figure 3. Average Monthly Contract Rents for Housing in New York City, 2017

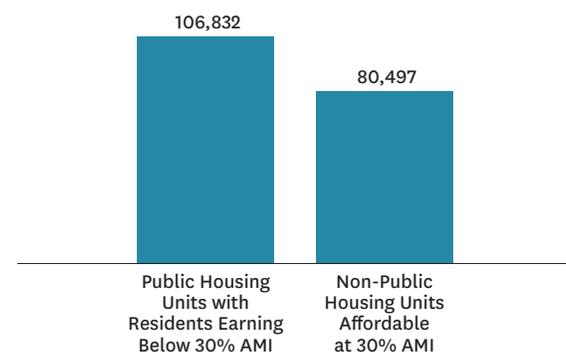


Sources: New York City Housing and Vacancy Survey, NYU Furman Center

As noted, public housing residents pay just 30 percent of their income in rent, which makes it a unique source of housing for low-income New Yorkers. In 2017, 61 percent of public housing units, or approximately 107,000 units, were occupied by extremely low-income (ELI) households (or those earning below 30 percent of the area median income (AMI)).⁶ In contrast, there were only 80,000 units affordable at 30 percent AMI in all of New York City outside of public housing, suggesting that this population would have few viable alternatives in the absence of public housing (Figure 4).⁷ To put this in perspective, a single-parent with two children working full-time at a minimum wage job would earn less than 30 percent of AMI.

While the remaining 40 percent of public housing residents earned above 30 percent of AMI and would have slightly more housing options, virtually all earned below 80 percent of AMI, and would find few homes affordable to them in the city.

Figure 4. Public Housing Units occupied by Extremely Low-income (ELI) population vs. Non-Public Housing Stock Affordable for ELI residents in New York City, 2017



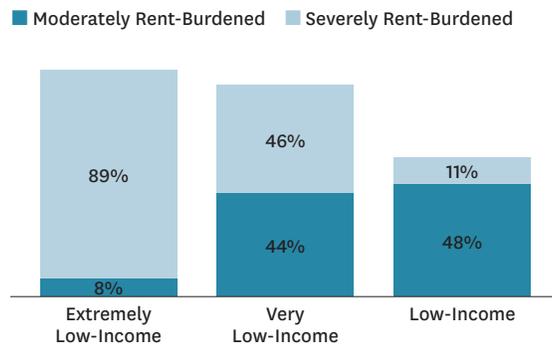
Sources: New York City Housing and Vacancy Survey, NYU Furman Center

⁶ The area median income in New York City is \$104,300 for a family of four, \$93,900 for a family of three, and \$83,500 for a family of two.

⁷ Calculations to determine affordability and rent burdens were made using gross rent instead of contract rent. Contract rent is the amount contracted in the lease. It only includes fuel and utilities if they are provided by the owner without additional, separate charges to the tenant. Gross rent is contract rent plus any additional charges for fuel and utilities paid by the tenant.

The reality that there are few affordable options for low-income New Yorkers outside of public housing is further underscored by the rent burdens⁸ faced by extremely low-income (<30% AMI), very low-income (30-50% AMI), and low-income (50-80% AMI) renters. Figure 5 shows that nearly 90 percent of extremely low-income renters who did not live in public housing were severely rent-burdened (or paid more than 50 percent of their income on rent) and another 8 percent were moderately rent-burdened (or paid between 30 and 50 percent of their income on rent) in 2017. Additionally, 90 percent of very low-income renters and 59 percent of low-income renters not living in public housing were rent-burdened to some extent.

Figure 5. Share of Low-Income Households Not Living in Public Housing with Rent Burdens, New York City, 2017



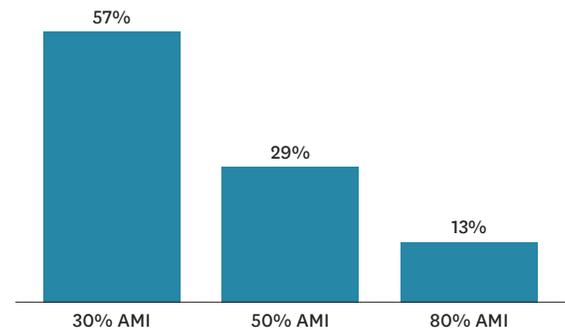
Sources: New York City Housing and Vacancy Survey, NYU Furman Center

⁸ A household is considered moderately rent-burdened if its gross rent, including utility costs, is more than 30 percent of the household's pre-tax income. A household is considered severely rent-burdened if it spends more than 50 percent of the household's pre-tax income on gross rent.

In sum, the protections of public housing provide substantial relief for low-income renters who would otherwise find only far more expensive units in the private market.

Indeed, Figure 6 shows that almost 60 percent of all units in New York City affordable to households making less than or equal to 30 percent of the AMI were public housing units, as were 30 percent of all units affordable to those with incomes less than or equal to 50 percent of the AMI and 13 percent of the units affordable to those earning up to 80 percent of the AMI.

Figure 6. Public Housing Share of Units Affordable to Different Income Levels in New York City, 2017



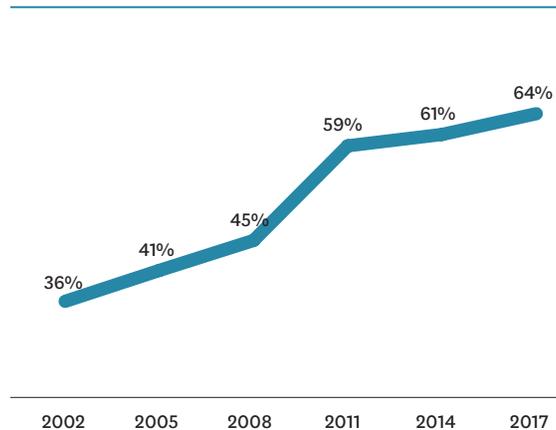
Sources: New York City Housing and Vacancy Survey, NYU Furman Center



Public Housing Has Remained a Steady Source of Deep Affordability Over Time

Trends over time show that as rents have risen substantially across the city, NYCHA has become an even more critical source of deeply affordable housing for the lowest-income populations of the city. Figure 7 shows the public housing share of rental housing units with contract rents below \$500 from 2002 to 2017.⁹ Public housing's share of all units renting below \$500 per month steadily rose during this period, from 36 percent to 64 percent of the total, not because the number of public housing residents paying rents this low rose but because the number of other types of units in the city renting below \$500 fell.

Figure 7. Public Housing Share of All Units with Contract Rents Below \$500 in New York City (\$2017), 2002–2017



Source: New York City Housing and Vacancy Survey, NYU Furman Center

⁹ In 2017, affordability thresholds for households earning less than 30 percent of the area median income ranged from \$471 for a one-bedroom unit to \$658 for a three-bedroom unit.

Conclusion

As other cities have shifted their focus away from public housing, New York City has remained committed to its public housing stock.¹⁰ Over five percent of all New York City households and about eight percent of all renters in the city live in public housing. Most critically, NYCHA's buildings are the primary housing source for extremely low-income New Yorkers, providing affordable homes to over 107,000 households with extremely low incomes. Without public housing, these individuals and families would have few viable options in the city's housing market.

¹⁰ Close to 17 percent of all public housing units in the country are now located in the city, up from 10 percent in the late 1980s. Vale, L. J., & Freemark, Y. (2012). From public housing to public-private housing: 75 years of American social experimentation. *Journal of the American Planning Association*, 78(4), 379-402.



Appendix

Categories of Housing Studied in this Report

Public Housing

Public Housing is constructed, owned, and operated by a public agency. In New York City, NYCHA owns and manages public housing units, which receive operating subsidies from HUD.

Low-Income Housing Tax Credits

Properties financed with either allocated (“nine percent”) or non-allocated (“four percent”) tax credits from either HPD or HCR.

Mitchell-Lama

Rental properties developed through the Mitchell-Lama program and supervised by either the New York City Department of Housing Preservation and Development (HPD) or New York State Housing and Community Renewal (HCR).

Project-Based Section 8

The Section 8 NC/SR Program (commonly referred to as Project-Based Section 8) originally provided a direct rental subsidy to building owners who housed low-income tenants in newly built or rehabilitated units. In 1983, HUD phased out the Section 8 NC/SR program and replaced it with Section 8 housing vouchers. While the program does not generate any new units, many buildings still receive funding through existing contracts.

Rent-Stabilized

In NYC, rent stabilized apartments are those apartments in buildings containing six or more units built between February 1, 1947 and January 1, 1974. Tenants in buildings of six or more units built before February 1, 1947, who moved in after June 30, 1971, are also covered. A third category of rent stabilized apartments covers buildings with three or more apartments constructed or extensively renovated since 1974 that receive tax or program benefits that are conditioned upon participation in rent stabilization.

Rent-Controlled

The rent control program in NYC generally applies to residential buildings constructed before February 1947 in municipalities that have not declared an end to the postwar rental housing emergency that emerged after World War II.

Data Sources

New York City Housing and Vacancy Survey (HVS)

The New York City Housing and Vacancy Survey is conducted every three years by the U.S. Census Bureau under contract with the City of New York. The New York City Department of Housing Preservation and Development sponsors and supervises the HVS. As a sample survey, HVS is subject to sampling and non-sampling errors. For this reason, related findings are “estimates” of the true value of the variables, which are unknown.

About the NYU Furman Center

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