

# HOUSING MORE NEW YORKERS

Systemic issues afflicting housing voucher programs and an overview of the simple policy proposals that can solve them

# Overview

*There are currently over 150,000 New Yorkers without a home and more than 175,000 households at risk of eviction and potentially homelessness across New York State.<sup>1</sup>*

Housing vouchers in New York City are pivotal in mitigating homelessness, increasing housing stability, and improving long-term health, social, and economic outcomes for adults and children. However, New York City's current housing voucher programs are flawed, and voucher holders regularly find their housing opportunities limited.

The policy conversation around vouchers covers a wide array of stakeholders in addition to voucher holders themselves, including social service providers and real estate industry professionals. Win and REBNY co-authored this report to leverage our collective insights and experiences with the challenges facing the City's voucher programs. We all share a common goal: improving the voucher process and helping voucher holders find stable housing.

To that end, our organizations agree that policy changes must be made to:

- Reduce delays that prevent voucher holders from securing housing.
- Eliminate confusion and inconsistencies regarding voucher programs.
- Move past outdated processes and utilize a digital portal to improve the process.
- Enhance outreach and coordination to prevent source-of-income discrimination.
- Streamline the City's affordable housing lottery to get voucher holders into new units faster.

# Acknowledgements

Developed in collaboration between Women In Need (Win) and the Real Estate Board of New York (REBNY).

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# Introduction

*Since its implementation in 2014, CityFHEPS has supported nearly 150,000 New Yorkers in 63,000 households.<sup>2</sup>*

Housing vouchers are pivotal in mitigating homelessness, increasing housing stability, and improving long-term health, social, and economic outcomes for adults and children.<sup>3</sup> In New York City, tenant-based housing voucher programs work to address a challenge many New Yorkers face – equitable access to housing. New York City administers several housing voucher programs, which vary depending on how they are funded. Some vouchers, like Section 8, are run by local public housing agencies that receive funding from the U.S. Department of Housing and Urban Development (HUD). Other programs, such as CityFHEPS, are run by the Department of Social Services, which includes the Department of Homeless Services (DHS) and the Human Resources Administration (HRA). Functionally, housing vouchers provide rental assistance to low-income individuals and families, people with disabilities, and the elderly. Vouchers enable recipients to pay for private market housing units, as public housing authorities (PHAs) and other administering agencies provide assistance directly to the property owner on behalf of the recipient. In practical application, however, New York City’s housing voucher programs are flawed, and voucher holders regularly find their housing opportunities limited. New York City must address the persisting barriers within the bureaucracy of administering the various voucher programs, as the city’s acute housing shortage and growing homeless population add urgency to this reform. As New York City’s housing crisis grows and policymakers continue to turn to voucher programs as a vehicle for housing access, it is imperative that the programs work effectively. Voucher-holding apartment seekers need to be on an equitable plane as all other apartment seekers.

New York’s tenant-based voucher programs can be transformative for many individuals and families, but various pain points often undermine their success. Voucher program performance directly impacts human well-being. A study published by the National Library of Medicine found that voucher programs improve health outcomes for families and children, provide access to better neighborhood opportunities, and advance health equity.<sup>4</sup> A study by Johns Hopkins University and Tufts University faculty echoes this, finding measurable health and related benefits ensuing to families who received vouchers, although half of those voucher holders only lived in their dwelling for about one year or less.<sup>5</sup> However, REBNY frequently hears from members – owners and agents – working with prospective tenants eligible for or utilizing vouchers that the process has proven cumbersome, lengthy, and convoluted. Time sensitivity has been particularly lackluster. In many instances, apartments have been lost for no reason other than processes that should take no more than a few days ended up

*Almost 100,000 households use Section 8 vouchers in New York City.<sup>6</sup>*

taking months. In addition, inefficiencies within the city's Affordable Housing Lottery, which is responsible for housing many voucher holders, perpetuate lease-up challenges and result in unnecessary costs for property owners while units sit vacant and considerable costs for the city incurred through prolonged shelter stays.

While there are several short-term interventions New York City should pursue to address some of the deficiencies shared by various voucher programs, long-term structural programmatic change is needed. To begin to address these challenges, the administration should explore process mapping of the voucher administration process to identify bottlenecks and understand payment flows. Additionally, public housing authorities (PHAs) and other administering agencies should pursue reforms to housing intake and digitization processes to inform the legislative ideas further detailed below.

As an aside, but equally important from a policy perspective, supply-side interventions must complement demand-side financial incentives like vouchers. Recognizing the inherent constraints in New York City's housing production, supply-side interventions will expand the universe of units available to voucher holders, but the absence of such tools should not constrain program success. Even in a constrained rental market, apartments are still available, as proven by year-over-year increases in CityFHEPS voucher utilization.<sup>7</sup>

Until these challenges are effectively remediated, it is hard to see how voucher programs, even when expanded, could be utilized to their fullest potential. At a time when the housing and homelessness crises become more dire, it is paramount for all stakeholders to come together to identify tangible solutions.

Throughout this report, we will detail some of the most critical challenges that must be addressed. In the end, this report aims to create equity amongst voucher-holding apartment seekers and all other apartment seekers – equity that fails to exist today.

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# 1

## ADMINISTRATIVE DELAYS

Inspections often face scheduling delays and inconsistency in evaluation criteria, prolonging the time it takes voucher holders to move into housing. Staffing shortages within relevant agencies further exacerbate these challenges, leading to extended wait times and decreased voucher utilization rates despite increased voucher issuances.



# 1

## Administrative Delays

*“After failing a previous inspection under Section 8 (NYCHA), the unit was fixed but failed again due to an open trash can lid on the fifth floor and chipped paint in the fire stairs on the 16th floor.”*

To secure permanent housing through a voucher program, voucher holders must navigate a complex bureaucratic process that differs from program to program. Administrative challenges typically arise before voucher issuance, and data shows that application processing times have considerably increased over the past several years. According to the 2024 Mayor’s Management Report (MMR), the median time between completion of a Section 8 voucher application and issuance increased by almost 120% between FY22 and FY23.<sup>8</sup> This increase reflects lease-up trends shared by all voucher programs, directly impacting rental assistance recipients experiencing or at risk of homelessness.

After a voucher holder finds a unit, the applicable agency, depending on the voucher program, will assign the voucher holder a case manager and initiate an inspection for Section 8 vouchers or an apartment walkthrough for CityFHEPS vouchers. Unfortunately, inspections can take several weeks to schedule. Case managers often delay or cancel inspections, and the absence of well-defined tools and inspection parameters creates inconsistency. For instance, a unit might fail an inspection for a violation that is not immediately hazardous, such as a two-degree variation over or under the targeted hot water temperature. In contrast, another unit with more critical health and safety issues might pass.

Due to the prolonged nature of inspections and other administrative factors such as pre-clearance and application processing, property owners with prospective voucher-holding tenants are commonly asked to hold units open for unreasonable amounts of time, sometimes up to five months. In comparison, the lease signing process typically takes a matter of days for New York City’s private market tenants, enabling them to move into the given unit within one month.

Challenges with administrative procedures, such as inspections, are exacerbated by resource and staffing deficiencies. As stated by New York City’s PHAs in a letter to Mayor Adams, the Department of Housing Preservation and Development (HPD) was short almost 500 positions, the Department of Buildings (DOB) was short 449 positions, the Department of Homeless Services (DHS) was short 234 positions, and the Human Resources Administration (HRA) was short 2,614 positions in January of 2023.<sup>9</sup> With depleted case manager workforces, the city’s PHAs struggle to manage clients and move them into available housing. According to the 2024 MMR, HPD issued 65% more Section 8 vouchers in the first four months of FY24 compared to the same FY23 period.<sup>10</sup> However, HPD’s voucher utilization rate decreased due to higher attrition rates.



## Solutions

*According to the 2024 Mayor's Management Report (MMR), the median time between completion of a Section 8 voucher application and issuance increased by almost 120% between FY22 and FY23.<sup>11</sup>*

**The New York City Council should pass legislation requiring program mapping and reporting data on the success rate of voucher holders entering housing.** Along with measuring the success rate, reporting should also examine the average time it takes for a voucher holder to enter housing across the programs administered, where there were delays, and what the causes were.

**For programs established by the City where they have authority to establish inspection requirements, the City Council should pass legislation that codifies the ability for inspections and apartment walkthroughs to be done virtually and to focus primarily on public health and safety requirements associated with the building code.** Requirements unrelated to life and safety concerns where the space otherwise meets code requirements related to bedroom size, heating and cooling temperatures, and other essential prerequisites to quality and safe housing should be waived, at least if there is a housing emergency. More significant issues, such as evidence of rodents, complete lack of heat, evidence of lead paint, and the like, should continue to result in a failed inspection.

- Alternatively, for CityFHEPS vouchers, DSS should amend Chapter 10 of the Rules of the City of New York to distinguish between non-immediately hazardous violations and those related to life and safety concerns in apartment pre-clearance and walkthrough procedures. DSS should also pursue a rule change to allow CityFHEPS inspections to be completed virtually.
- Similar steps should be taken for Section 8 programs and others administered by the federal or state government, and the City Council should encourage these steps.

**The City Council, via legislation, should also formalize inspection processes and develop a hierarchy of issues, not all of which will result in an inspection failure.** This intervention will reduce inconsistencies in inspection procedures and permit tenancy in apartments without immediately hazardous conditions.

**HRA should introduce rules requiring that apartment walkthroughs be completed within seven days.** If HRA chooses not to implement new rules, the City Council should require via legislation that inspections be completed within seven days and that any reinspection occur within seven days following an owner or manager rectifying any outstanding issues.

**The City Council should exempt new construction from inspections, as the Department of Buildings (DOB) has already inspected these units.** This approach empowers tenants to report potentially hazardous conditions in rental units, expediting individual apartment lease-ups. Similarly, the PHAs should be

*After receiving a Section 8 or CityFHEPS voucher, recipients only have 120 days to find housing.*<sup>12</sup>

required to pre-qualify new construction buildings and common spaces to speed up the leasing process further.

**DSS should commit to creating and publishing a corrective action plan to resolve the systemic delays in processing CityFHEPS applications.** In addition, the City Council should require the timing of housing voucher application approvals to be at most fifteen days, which effectively mirrors the longest a private sector application will ever take. From the time of application approval by the property owner, move-ins (or, at a minimum, first payment and lease start) should occur within thirty days.

**Identifying and resolving obstacles without tracking and maintaining key data is challenging.** Going forward, the City Council should require the MMR to include lease-up time for all housing voucher programs as an annual reporting metric. This low-cost intervention will foster transparency in housing outcomes and facilitate the identification of inefficiencies in existing lease-up procedures.



# CHALLENGES WITH TECHNOLOGY AND PERSONNEL

Challenges include confusion over required documents, application rejections for minor reasons, and lack of consistent communication among involved parties, leading to prolonged lease-ups and frustration for both voucher holders and property owners.

# 2

## Challenges with Technology and Personnel

*“The unit passed inspection... After another several weeks of reaching out and excuses, the landlord rented the unit to a different tenant and the deal was canceled more than 60 days after it passed inspection. This was all due to caseworker error and CityFHEPS inefficiency.”*

After an individual meets the eligibility requirements for a housing voucher and a case manager approves the documentation, voucher holders, depending on the program, receive housing search assistance from a housing specialist in their shelter. However, this assistance is often inadequate, making it more challenging for the individual to find a property owner who will accept their voucher.

Upon completing the pre-clearance and inspection process, the case manager must compile the client’s application so DSS can determine the client and the chosen unit’s eligibility. The case manager is responsible for collecting and ensuring accuracy across all application components, which needs to be filled out by the voucher holder, case manager, broker, and property owner. If the case manager does not complete the application promptly, the voucher holder risks losing their unit. At this stage, there is often case manager and client confusion over required documents, which should be completely unacceptable if it leads to housing being secured for the voucher holder – which it often does.

After submission to DSS, applications are frequently sent back to the case manager for small, nonsensical reasons. When the case manager returns the application upon making the requested corrections, it is reviewed by a new member of DSS, who may identify new issues. This back-and-forth process can significantly delay lease-ups and lead to monetary loss for the property owner.

Caseworker turnover exacerbates process bottlenecks. This occurs when a caseworker does not support a prospective voucher-eligible tenant from start to finish. High turnover directly impacts placement success, as there is common inconsistency across caseworkers regarding how they facilitate transactions.

Throughout the placement process, applicable parties struggle to maintain shared visibility with each other to understand pain points or deliverables. Because there are inconsistent contact points across the various agencies involved in voucher programming, it becomes difficult to clearly communicate what is needed to move the tenant forward. There is also an absence of a clear point of contact for property owners or real estate agents when issues arise with clients or tenants. When property owners or agents need support while completing the application or for missed rent payments, seeking a resolution becomes frustrating and time-consuming.

*Due to the slow rollout of the current system, most landlords are still not able to get paid electronically.*

Technology and staffing constraints also impact tenants' abilities to renew their vouchers. Many voucher holders fail to receive annual recertification notifications or any confirmation of their recertification despite multiple attempts to file the necessary paperwork. When renewal applications are not processed, voucher holders do not receive their aid, leading to terminated benefits or eviction and missing rent payments for the property owner. In an article published by THE CITY, an HRA caseworker stated that tenants often become aware their vouchers did not get renewed through a notice they are behind on rent.<sup>13</sup> Starting in December of 2023, CityFHEPS recipients could renew CityFHEPS vouchers and check the status of their case online using DSS's benefits portal, ACCESS HRA. Although this portal will make it easier for voucher holders to check their benefits, it does not address the need for shared visibility, as property owners cannot access it.

Of course, adequate staffing and agency funding are often a prerequisite for these solutions. As city fiscal challenges remain, ensuring that funding is robust for voucher programming will more than pay for itself. We encourage the Fiscal Year 2025 budget to deeply consider the needs not only for the voucher programs as they exist today but as they could exist if the solutions being provided are implemented.

## Solutions

**The City should enforce and comply with Local Law 118, passed in 2020, which requires that the status of rental assistance applications and renewal requests be available online to the applicant or provider.**<sup>14</sup> All documents should be updated on the online portal, modernizing the current lengthy application process. This technology has been used in real estate for years (Board Packager, Onsite, etc.) and should be adopted to help streamline and expedite voucher processing.

**The Council should require that each voucher program establish a public portal where owners and agents can seek the support they need.** To achieve this, agencies must boost resources and increase staffing.

- Currently, DSS directs CityFHEPS clients to their Access HRA portal or mobile application to access voucher application information and updates. However, services on this portal do not extend to property owners. Alternatively, NYCHA, the administering agent for Section 8 vouchers, oversees a self-service portal that voucher holders and property owners can access. Like NYCHA, DSS should expand this portal to property owners.

*In December 2023, WIN had more than 70 families who were eligible for shopping letters, but had not yet been approved because of a backlog at DHS. Many of those requests had been submitted with updated paperwork as many as five times with no response, delaying those families housing search by weeks and sometimes months.*

**The Council should require that each voucher program make a voucher holder checklist accessible that clearly communicates all the necessary paperwork to the recipient.** Applicable agencies must ensure that materials are universally accessible and available in all languages. This intervention will reduce the chances of incomplete or incorrect applications, strengthen voucher-holder confidence, and expedite lease-up.

**DSS should create a Direct Access Line phone number for voucher holders, property owners, and community partners to address and facilitate case error correction.**

**HRA should adopt amendments to Chapter 10 of the Rules of the City of New York that establish provisions relating to caseworker-client proceedings in CityFHEPS transactions.** These rules should require that the same caseworker be assigned to a tenant for the entire lease-up process. If the agency chooses not to pursue rule amendments, the Council should enact legislation to require that the same caseworker be assigned to a tenant from voucher issuance until move-in. In instances where a caseworker leaves their position, the program administrating agency should be required to notify the tenant, owner, and others involved in the transaction with the name and contact information of the new caseworker.

Real estate brokers and agents are often brought into a housing transaction by owners, tenants, or the programs themselves. Usually, outcomes are better when an agent can assist with what is often a convoluted and challenging process. **To ensure agent participation, their fee should be equitable to what is charged in a cash-paying transaction (15% of annual rent), and there should be assurance that a fee is paid within 30 days of securing a unit for a tenant.** The programs should also be required to pay the fee in most instances.

# 3

## ISSUES WITH PAYMENT STANDARDS

Existing “rent reasonableness” provisions, delayed payments to property owners, technological issues, and instances of PHA failure to pay rent further exacerbate challenges, risking eviction for voucher holders. Additionally, delays in obtaining furniture vouchers under programs like CityFHEPS add to post-lease-up complications.



# 3

## Issues with Payment Standards

*“We had an incident where a check was being sent to the wrong address and, despite multiple follow ups and assurances that it had been fixed, it continued to go to the wrong address.”*

After the applicable agency receives a voucher holder’s application, the agency will conduct a “rent reasonableness” test, in which the New York City Housing Authority (NYCHA) and the Department of Housing, Preservation, and Development (HPD) are required by HUD to ensure that rents charged by owners to program participants are reasonable relative to similar units in the area. While this ensures that the city is not overpaying for the unit, it can cause clients to miss apartments narrowly. In addition, what has been determined to be a reasonable rent often fluctuates throughout the process, creating even more complications. For instance, property owners have been told that an asking rent meets the established rent payment standard only to be asked to lower the asking rent later in the process under the guise of “rent reasonableness.”

Similarly, tenants are often denied housing because individual caseworkers determine that the rental rate is too high for a particular unit without accounting for amenities, location, and other considerations for rent value. As a result, this policy only undercuts the work done to raise the voucher values to fair market rent and the Administration’s work to offer augmented rent value, so voucher holders have more choices to live in a broader range of neighborhoods.

Voucher holders have also lost housing opportunities for a subset of apartments operated by not for profits with amended regulatory agreements under Section 610 of the Private Housing Finance Law. Section 610 permits certain not-for-profit owners of affordable housing projects subject to regulatory agreements to collect rents that exceed the legal, regulated rent without impacting the amount the tenant pays.<sup>15</sup> For example, this legislation would apply to some property owners with Section 8 assistance who may be able to collect additional rent subsidy based on Section 8’s rent rules, but have registered, lower, legal rents on the property that constrain the amount of collectible subsidy. Unfortunately, there have been instances where caseworkers determine the voucher holder is not eligible for a unit with an amended regulatory agreement that permits the collection of full subsidy rents above the lower legal rent. This issue is emblematic of the systemic challenges at administering agencies, where training is absent when new rules take effect.

Once a voucher holder is placed in a housing accommodation, owners and agents regularly fail to receive payments in a reasonable amount of time. Sometimes, delayed payments are due to the City’s poorly functioning technology systems.



*Tenants are often denied housing because individual caseworkers determine that the rental rate is too high for a particular unit without accounting for amenities, location, and other considerations for rent value.*

There are also instances where the City fails to pay its share of rent payments for voucher holders. In February 2023, a Harlem property owner filed 54 Housing Court cases after months and years of unpaid rent. Individuals and families using housing vouchers should not face eviction due to government or program failure.<sup>16</sup>

Under some voucher programs, like CityFHEPS, eligible tenants needing additional assistance may receive an allowance for furniture. However, many tenants encounter post-lease-up delays in obtaining furniture vouchers.

## Solutions

**The City Council should pass clarifying legislation to ensure that the dollar amount on the voucher presented at the time of the application is honored.** If a voucher amount needs to be lowered, there is often the opportunity to ensure that the voucher can still be honored so long as the reduced amount requested is presented to owners within a reasonable amount of time (i.e., 24-48 hours).

Households using vouchers must contribute up to 30% of their income on monthly rent. The voucher subsidy covers the remainder of the rent. **The City Council and State Legislature should enact legislation requiring a study of voucher program participants' income after contributing 30% towards monthly rent payments.** This study would help determine whether the 30% standard is appropriate, given that 100% of a voucher holder's income is insufficient to support themselves in New York City.

**DSS should adopt amendments to Chapter 10 of the Rules of the City of New York, requiring a dedicated point of contact to be available and accessible to all stakeholders in a housing transaction involving a voucher where there are instances of nonpayment.** If DSS chooses not to pursue a rule amendment, the Council should enact legislation requiring a dedicated point of contact to be established to resolve instances of nonpayment. Initial and monthly payments should be issued on time, and property owners should receive prompt responses to inquiries.

**Federal, state, and city legislation should be enacted to ensure that the share of rent due from a voucher is paid monthly within the first five days of the lease start date, as does a cash-paying tenant.** The program would incur the same fees if payments were not made within the same time as a cash-paying tenant. The tenant would not incur fees for the agency or city share.

*"Section 8 said the unit was too expensive, but the client was willing and able to pay the 10% rent overage that is permitted in the program. Still, Section 8 refused the deal, stating that the rent was too high."*

**The Council should enact legislation requiring a study to be facilitated to consider a master lease pilot program based on a rapid rehousing model used in Los Angeles, California.** With this model, the City could lease entire buildings and consequently sublease each unit to whomever they desire. Master leasing can take many forms. For example, New York City could offer incentives to property owners in exchange for agreements to rent to certain tenants the city wants to see housed. Master leasing accelerates the rate at which unhoused individuals are moved into permanent housing, bypassing the challenges encountered in the housing voucher system.

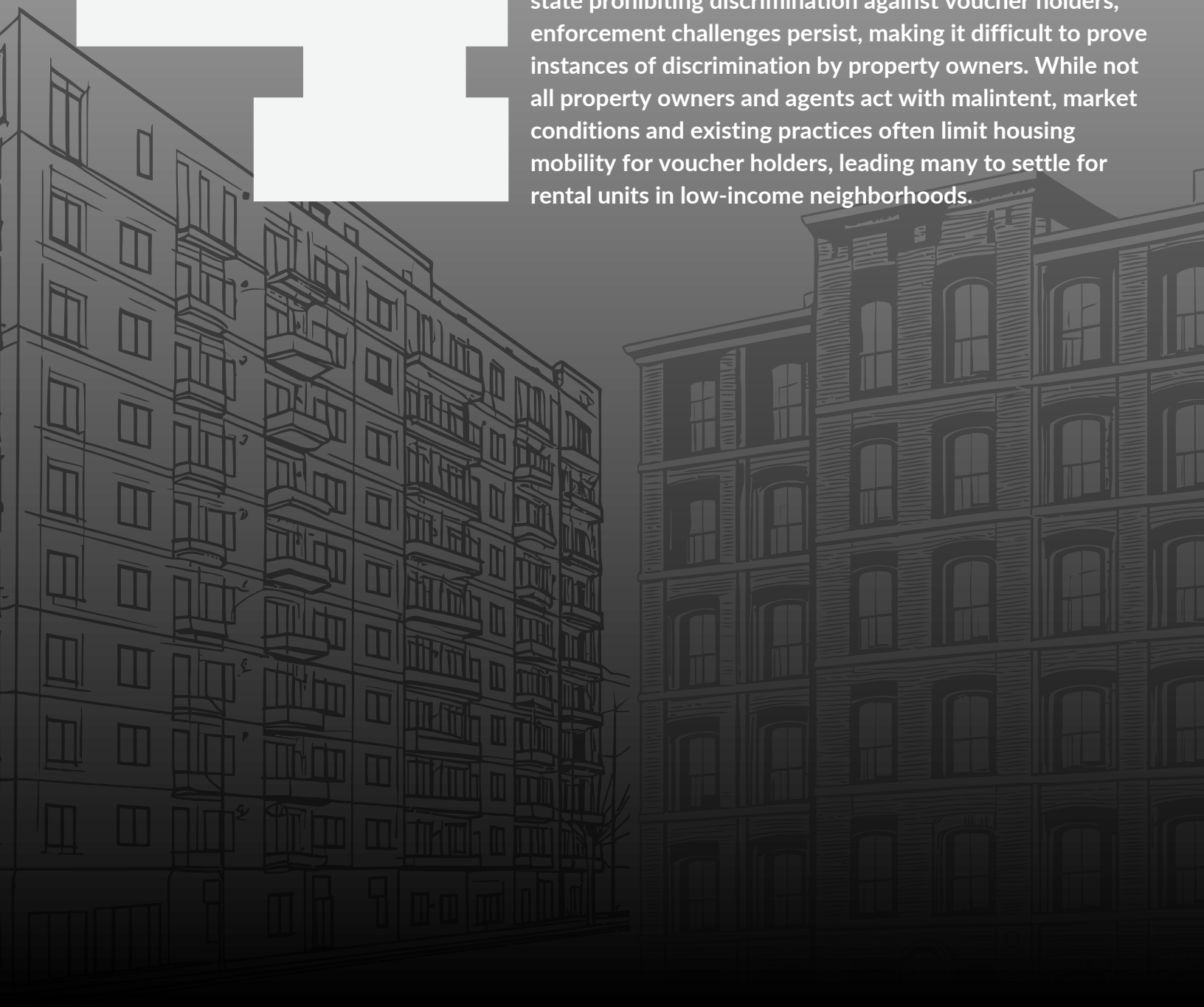
- DSS may also adopt rules amending Chapter 10 of the Rules of the City of New York concerning a master lease pilot program for CityFHEPS vouchers.

**DSS should adopt amendments to Chapter 10 of the Rules of the City of New York, requiring that furniture vouchers are made available to tenants no later than five days after a lease is signed.** If DSS chooses not to pursue a rule change, the City Council should enact legislation establishing this five-day timeframe.

# 4

## SOURCE OF INCOME DISCRIMINATION

Despite anti-discrimination laws in New York City and the state prohibiting discrimination against voucher holders, enforcement challenges persist, making it difficult to prove instances of discrimination by property owners. While not all property owners and agents act with malintent, market conditions and existing practices often limit housing mobility for voucher holders, leading many to settle for rental units in low-income neighborhoods.



# 4

## Source of Income Discrimination

*The NYC Commission on Human Rights settled a case after allegations that a property management company would not complete paperwork required for Section 8, requiring that the owner to set aside 5 apartments for voucher holders, post the Commission's "Notice of Rights" posters, and pay complainant emotional distress damages.<sup>17</sup>*

In 2008, New York City passed Source of Income anti-discrimination laws, prohibiting property owner discrimination against vouchers, among other legal sources of income.<sup>18</sup> Similarly, in 2019, the State of New York amended the New York State Human Rights Law to prohibit discrimination based on lawful source of income.<sup>19</sup> Although discrimination against voucher holders is illegal, some property owners practice it due to inadequate enforcement or proof of such behavior. For example, if a unit receives multiple applications, proving that the property owner deliberately chose a cash-paying applicant is challenging. Despite instances of discrimination against voucher holders, it is crucial to note that not all property owners and agents are acting with malintent. This is particularly true in geographies like New York City, where supply is at a low and demand is high.

Housing vouchers are designed to be inherently flexible, empowering low-income families and individuals to find housing in their chosen neighborhoods. However, existing agency practices, policies, property owner behaviors, and housing market conditions routinely prevent greater mobility for voucher holders.

### Solutions

**The NYC Human Resources Administration Source of Income (SOI) unit, NYC Commission on Human Rights (CCHR), NYS Division on Human Rights (DHR), and the NY State Attorney General's Office enforce SOI protections.** Coordination between these city and state agencies must improve, as information exchange is crucial in identifying trends, increasing public awareness, and preventing the recurrence of discriminatory behaviors.

**The Council should enact legislation requiring outreach initiatives to educate voucher holders about their rights, and help owners, managers, and agents understand the available resources to help service tenants and clients.** In addition, the City should require annual public reporting on SOI complaints and the average time it takes to resolve a complaint.

In 2023, HPD committed \$3.1m to go towards combatting source of income discrimination.<sup>20</sup> HPD and other PHAs will use the funds to identify, develop, and enact new strategies to combat discriminatory behavior. **The City Council should consider expanding upon this funding stream for the FY25 budget cycle**

*The NYC Commission on Human Rights has resolved over 350 cases of source of income discrimination in the past two years.*<sup>21</sup>

CCHR has historically been underfunded and understaffed, making it significantly more challenging to combat discriminatory housing practices and meet the needs of voucher holders. The Fiscal 2024 Executive Plan includes an additional \$1.3m and seventeen new positions for the department's SOI unit.<sup>22</sup> However, CCHR only filled three of the thirteen allocated positions before the city-wide hiring freeze went into effect. **Thus, the Council should maintain the funding committed in the Fiscal 2024 Executive Plan and exempt CCHR from the ongoing hiring freeze.**

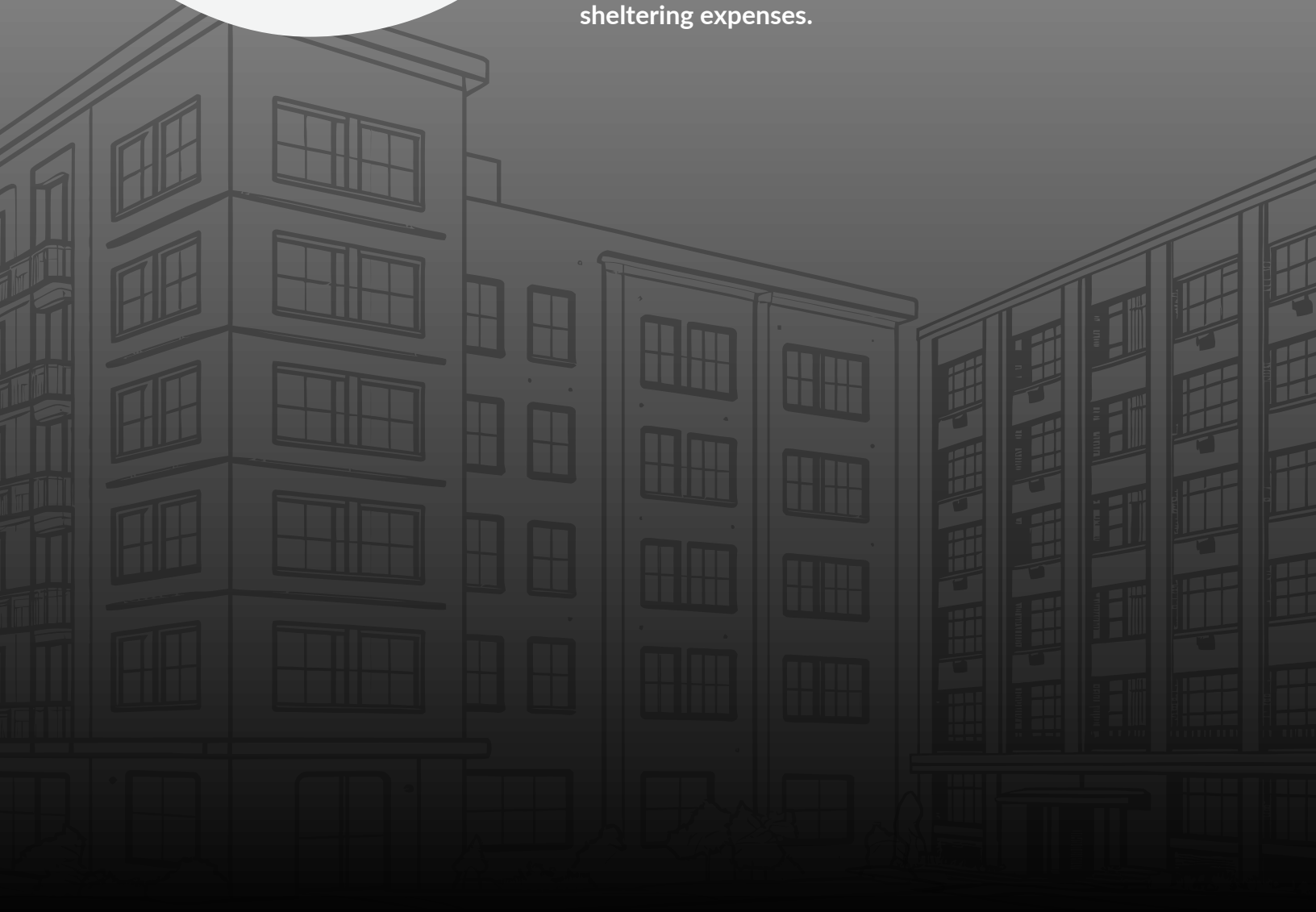
**CCHR should establish a comprehensive penalty structure that imposes higher penalties than what currently exists for instances of proven SOI discrimination.** At a minimum, penalties should incorporate a monetary fine, mandate a set aside of the violator's holdings specifically for voucher-holding tenants, and require that the property owner or management company train all staff of the NYC Human Rights Law.



# 5

# THE AFFORDABLE HOUSING LOTTERY

New York City's affordable housing lottery, NYC Housing Connect, plays a significant role in housing voucher placements. Still, its lease-up processes have become increasingly lengthy, with the median time for applicant approval rising by approximately 53% between Fiscal Years 2022 and 2023. Staffing shortages, burdensome application requirements, and inefficient processing contribute to these delays, costing the city significant amounts in sheltering expenses.



# 5

## The Affordable Housing Lottery

*According to the latest MMR, the median time to complete applicant approval for a project filling its units through the affordable housing lottery increased from 171 days in Fiscal Year 2022 to 262 days in Fiscal Year 2023, representing an approximate 53% increase.<sup>23</sup>*

New York City's affordable housing lottery, NYC Housing Connect, is responsible for a large share of housing voucher placements. However, the lottery's existing lease-up processes have profound implications for the timely placement of individuals into permanent housing. According to the latest MMR, the median time to complete applicant approval for a project filling its units through the affordable housing lottery increased from 171 days in Fiscal Year 2022 to 262 days in Fiscal Year 2023, representing an approximate 53% increase.<sup>24</sup> The MMR also reports that the share of lottery projects that completed applicant approvals within six months fell 10% between Fiscal Years 2022 and 2023. As aforementioned, HPD and New York City's other PHAs are experiencing considerable staffing challenges. Staffing shortages, unduly burdensome application requirements, and inefficient processing will continue to increase lease-up timelines until adequately addressed. According to a report released by Mayor Adams, it cost the city over \$8,700 per month in 2022 to house a family of two in shelter.<sup>25</sup> Based on this estimate, a 91-day increase in applicant approval time from 2022 cost the city an additional \$26,100 to house a family of two in shelter.

A 2023 Citizens Housing & Planning Council analysis echoes these trends, stating that the full lease-up of a lottery's units takes an average of 13.5 months (lottery durations are calculated based on 95% of units leased) and that one in three lotteries started marketing after a project received a Certificate of Occupancy (CO).<sup>26</sup> Prolonged lease-up times directly impact voucher holders. For many individuals, lengthy waiting periods could result in being evicted from an existing housing accommodation or entering a homeless shelter.

### Solutions

**The Council should enact legislation establishing a pilot to initiate lotteries during project construction and prior to completion to reduce the length of vacancy and lease-up for habitable units.** According to Comptroller Brad Lander's review of DSS's programs and services, clients who leave shelter for a housing option with subsidized rent fare much better.<sup>27</sup> Based on placements one year prior, the Fiscal Year 2022 average subsidized return rates were less than 5% for single adults and less than 1% for adult families and families with children. This requires an agency rule change.

*A 91-day increase in applicant approval time from 2022 cost the city an additional \$26,100 to house a family of two in shelter.*

The mayor can mandate the inclusion of additional key performance indicators such as rent-up volume, lottery timelines, homeless set-asides, and supportive housing units into the MMR (CHPC Housing Connect Analysis), or the City Council could require through legislation that these indicators are included in a separate report.<sup>28</sup> There are currently reporting requirements enacted through local law, but there is no single collection on how the programs perform.

**Federal, state, and local governments should unite to streamline regulations and eliminate duplicative or contradictory guidance to ease administrative burden.** For example, PHAs should evaluate an applicant's required paperwork for Housing Connect to better understand the breadth of administrative burden (CHPC Housing Connect Analysis).<sup>29</sup> Congress should establish a task force to evaluate how these intergovernmental regulations can be streamlined.



# SOLUTIONS AND CONCLUSION



# Existing Legislative Solutions and Conclusion

*A report released by Mayor Adams reveals that it costs the city over \$8,700 per month in 2022 to house a family of two in shelter. Alternatively, a CityFHEPS voucher to house this family would cost a maximum of \$2,387 or less per month.<sup>30</sup>*

## Existing Solutions

On May 25, 2023, the New York City Council passed a package of bills to expand tenant-based housing voucher eligibility requirements and facilitate client movement through the system.

- Intro 878-A removes shelter stay, the “90-day rule,” as a precondition to CityFHEPS eligibility.
- Intro 893-A expands CityFHEPS eligibility, removing specific DSS criteria for determining eligibility and broadening accessibility to a broader range of income-eligible households.
- Intro 894-A eliminates employment status and source of income as voucher eligibility requirements.
- Intro 229-A prohibits DSS from deducting a utility allowance from the maximum amount of a rental voucher.
- Intro 704-A requires HRA to provide landlords the option to accept rental assistance payments via an electronic transfer into a bank account.

In October 2023, the City Council passed Intro 0703-A, which requires DSS to report quarterly on the timeliness of voucher payments and the reasons for past due payments. That same month, HPD and HDC announced that New York City households and housing vouchers would no longer undergo credit checks when selected for affordable housing, accelerating the process of entering new homes for over 4,000 families yearly, according to the MMR.<sup>31</sup> The credit checks took effect immediately through an update to HPD marketing guidelines. Lastly, as aforementioned, the city must comply with Local Law 118 of 2020, which requires online access to rental assistance program application status.

Although some have argued that expanding housing voucher assistance will cost New Yorkers too much over time, savings from reduced shelter stays offset program expansion costs. As aforementioned, a report released by Mayor Adams reveals that it costs the city over \$8,700 per month in 2022 to house a family of two in shelter.<sup>32</sup> Alternatively, a CityFHEPS voucher to house this family would cost a maximum of \$2,387 or less per month. However, a study performed by the New York City Independent Budget Office (IBO) found that while the city increases voucher issuance each year, shelter exits are outpacing community placements.<sup>33</sup> Therefore, existing laws, coupled with the necessary reform, need adequate enforcement to maximize the benefits derived from housing vouchers. In addition, the success of new voucher policies and anti-discrimination provisions

*Only 0.3% of families who exit the city's homeless shelters without a rental subsidy re-enter shelter within a year, compared to the 15.2% of families without subsidies.*<sup>34</sup>

will be maximized if the proposals receive support from all impacted entities, including brokers, owners, and rental housing developers.

## Conclusion

Housing vouchers are essential to mitigate homelessness, increase housing stability, and support long-term human and economic health. New York City's tenant-based housing voucher programs are crucial in achieving equitable access to housing. Nonetheless, operational and administrative challenges within these programs impede their effectiveness and present voucher holders with significant barriers in securing suitable housing options.

Research underscores the pivotal role of voucher programs in improving health outcomes, enhancing neighborhood opportunities, and advancing equity. Yet, the persisting challenges highlighted by stakeholders, particularly regarding cumbersome processes, prolonged wait times, and inefficiencies in housing intake, underscore the pressing need for comprehensive reform.

Addressing these deficiencies demands both short-term interventions and long-term structural change. Until these challenges are effectively addressed, the full potential of voucher programs will remain unrealized, exacerbating the housing and homelessness crises afflicting New York City. Collaboration among stakeholders is essential in identifying and implementing tangible solutions. We urge city and state government to consider these proposed solutions as mechanisms to remedy existing disparities in the city's housing voucher programs and pave the way for a more equitable housing landscape.

# Appendix

1. **Family Homelessness and Eviction Prevention Supplement (FHEPS):** administered by HRA and DHA, FHEPS provides up to five years of rental support for families who were evicted, are facing eviction, or lost housing due to domestic violence. FHEPS ensures that property owners are compensated fairly. Families must be receiving Cash Assistance (CA) to be eligible.
  - a. What You Need to Know About FHEPS: <https://legalaidnyc.org/get-help/housing-problems/what-you-need-to-know-about-hras-family-homelessness-eviction-prevention-supplement/>
  - b. FHEPS Fact Sheet for Property owners: [https://www.nyc.gov/assets/hra/downloads/pdf/fheps\\_fact\\_sheet\\_for\\_property\\_owners.pdf](https://www.nyc.gov/assets/hra/downloads/pdf/fheps_fact_sheet_for_property_owners.pdf)
  - c. FHEPS Client Fact Sheet: <https://www.nyc.gov/assets/hra/downloads/pdf/FHEPS/HRA-146r-english.pdf>
  - d. FHEPS Payment Standards: <https://www.nyc.gov/assets/hra/downloads/pdf/FHEPS/HRA-146z-E.pdf>
  - e. Unit Hold Incentive Voucher: <https://www.nyc.gov/assets/hra/downloads/pdf/hra-145-e.pdf>
2. **CityFHEPS:** run by DHS, CityFHEPS is a voucher program for families with children who receive Cash Assistance and are at risk of being evicted or have lost their housing due to domestic violence or safety/health issues.
  - a. CityFHEPS Fact Sheet: <https://www.nyc.gov/assets/hra/downloads/pdf/CITYFHEPS/CITYFHEPS-fact-sheet.pdf>
  - b. CityFHEPS Frequently Asked Questions for Property Owners and Brokers: <https://www.nyc.gov/assets/hra/downloads/pdf/cityfheps-documents/dss-8j-e.pdf>
  - c. How to Register an Apartment/Room/SRO through CityFHEPS: [https://www.nyc.gov/site/hra/help/property\\_owners.page](https://www.nyc.gov/site/hra/help/property_owners.page)
  - d. CityFHEPS Documents: <https://www.nyc.gov/site/hra/help/cityfheps-documents.page>
3. **Section 8 – Housing Choice Voucher Program:** a federal program administered through state and local governments that provides rental assistance to low-income families to rent privately owned housing. Local housing authorities, including NYCHA, HPD, and DHCR, run Section 8.
  - a. Section 8 Voucher Types: <https://www.nyc.gov/site/hpd/services-and-information/section-8-voucher-types.page>
  - b. Section 8 Property Owner Guide: [https://www.nyc.gov/site/nycha/section-8/guide-for-property\\_owners.page](https://www.nyc.gov/site/nycha/section-8/guide-for-property_owners.page)
  - c. Voucher Payment Standards and Utility Standards: <https://www.nyc.gov/site/nycha/section-8/voucher-payment-standards-vps-utility-allowance-schedule.page>
  - d. Section 8 Tenants Frequently Asked Questions: <https://www.nyc.gov/site/nycha/section-8/tenants-faq.page>
  - e. Rent Reasonableness Frequently Asked Questions: <https://www.nyc.gov/site/nycha/section-8/rent-reasonableness-faq.page>
4. **Emergency Housing Voucher (EHV) Program:** run by NYCHA and HPD, EHV supports people who are in danger of experiencing homelessness, including survivors of intimate partner/domestic violence.
  - a. EHV Program Overview: <https://www.nyc.gov/site/nycccoc/ehv/ehv.page>
  - b. EHV FAQ: <https://www.nyc.gov/assets/nycccoc/downloads/pdf/ehv-faqs.pdf>
  - c. HUD's EHV Resources: <https://www.hud.gov/ehv>
  - d. Owner Resources: <https://www.nyc.gov/site/nycccoc/ehv/owner-resources.page>
5. **HIV/AIDS Services Administration (HASA):** administered by HRA, HASA offers intensive case management and housing assistance to individuals living with AIDS or HIV illness in New York City. HASA provides case management, home visits, long-term rental assistance, and short-term shelter, transitional, and supportive housing placement. Rental assistance covers any portion of the rent above 30% of monthly income for single cases.
  - a. HASA FAQs: <https://www.nyc.gov/site/hra/help/hasa-faqs.page>
  - b. HASA Housing Options: [https://www.health.ny.gov/professionals/patients/discharge\\_planning/docs/2008-07-10\\_hasa\\_housing\\_options\\_jruscillo.pdf](https://www.health.ny.gov/professionals/patients/discharge_planning/docs/2008-07-10_hasa_housing_options_jruscillo.pdf)

# Appendix Cont.

6. **HUD-VASH Vouchers:** HUD-VASH is a collaborative program that pairs Section 8 Housing Choice Voucher (HCV) rental assistance with Department of Veterans Affairs (VA) case management and supportive services for homeless Veterans.

a. NY State HUD-VASH Page: <https://veterans.ny.gov/supportive-housing-hud-vash-program>

b. HUD-VASH General Information: <https://www.va.gov/homeless/hud-vash.asp>

c. HUD-VASH Fact Sheet for Property Owners and Brokers:

[https://www.nyc.gov/assets/hra/downloads/pdf/HUD-VASH-property\\_owner-fact-sheet.pdf](https://www.nyc.gov/assets/hra/downloads/pdf/HUD-VASH-property_owner-fact-sheet.pdf)

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