

**TESTIMONY FROM GENERAL MANAGER CECIL HOUSE
THE EFFECTIVENESS AND IMPACT OF HPD AND NYCHA'S DOWNSIZING POLICIES AND
PRACTICES
COMMITTEE ON PUBLIC HOUSING WITH THE COMMITTEE ON HOUSING AND BUILDINGS
WEDNESDAY, APRIL 9, 2014 – 1:00 PM
COMMITTEE ROOM, CITY HALL, NEW YORK, NY**

Chairman Ritchie Torres and Chairman Jumaane Williams, members of the Committees on Public Housing and Housing and Buildings, and other distinguished members of the City Council, thank you for the opportunity to discuss with you the New York City Housing Authority's (NYCHA) policy on "rightsizing," our method to ensure that every family in public housing has access to an apartment with enough space to fulfill their particular needs. I am Cecil House, NYCHA's General Manager. Joining me today are Carolyn Jasper, Senior Director of the Lease Enforcement Department, and Tina Lam, Director of the Applications and Tenancy Administration Department.

NYCHA was established 80 years ago partly as a remedy to unsanitary and overcrowded conditions in New York City's tenements and economically challenged neighborhoods. In fulfilling our mission to provide safe, decent, affordable housing for low- and middle-income New Yorkers, we have been committed since our founding to ensuring that the overcrowded conditions which drove our creation do not exist within our developments. Quality of life for NYCHA residents is our highest concern, and a good quality of life is often determined by the availability of appropriate living space. However, ensuring that every public housing family is in an apartment of appropriate size presents a huge challenge, one that NYCHA has wrestled with over the years. For many years, NYCHA did not have an effective approach to making sure that residents in our public housing developments had appropriate living space for their needs. While NYCHA had procedures governing this subject, they were not consistently enforced. Residents in overcrowded apartments were left to their own devices. They could take advantage of our transfer process, but there were often no larger apartments to move into.

With the development of our roadmap for the preservation of public housing, *Plan NYCHA*, in 2011, NYCHA began to look at how we could optimize apartment usage by transitioning families to apartments appropriate for their needs. During this planning process, we heard from residents who were living in overcrowded apartments and residents who were living in under-occupied apartments. We knew the right thing to do was to accommodate our larger families in appropriately sized apartments. We began to focus on enforcing our existing policy on occupancy and apartment size.

We fully recognize the impact enforcing NYCHA's rightsizing policy has on NYCHA residents across the City – including seniors, families, and children. Therefore, NYCHA works hard to enforce this policy in an inclusive, collaborative, sensitive, and fair manner. Rightsizing does not only improve the quality of life of current NYCHA residents but also provides housing to more New Yorkers on our waiting list. To successfully optimize the limited but vital resource of public housing, we continue to seek collaboration from NYCHA's leadership and staff, residents, and other stakeholders concerned about the wellbeing of NYCHA families. This afternoon, I will provide a brief overview of the real challenges that we face, our current process, what we've done so far, and how we plan to move forward.

The Reality of Overcrowding

Nearly 40 percent of NYCHA's households – 71,219 – live in apartments that are not the correct size for their family composition. 44,663 live in “under-occupied” units and 11,403 are in “extremely under-occupied” apartments. Meanwhile, we have 15,153 families living in overcrowded units. NYCHA works hard to address both situations. For example, when families in overcrowded apartments have been on a specific development's waiting list for a larger apartment for more than two years, they can opt to be placed on another development's waiting list. With this provision, we want to increase the likelihood that families in overcrowded apartments will move into a larger apartment sooner.

While NYCHA understands that this hearing was called out of concern for residents in under-occupied apartments, NYCHA constantly strives to appropriately balance the interests of our residents in under-occupied apartments with those in overcrowded apartments. We know that many of the situations brought to your attention by your constituents, or what you hear in the news, often have a negative bent. In our experience, this is not always the case. For example, consider the case of a Campos Plaza resident who was raised along with her nine siblings in a five-bedroom apartment that was later passed on to her and her own daughter. Because she wanted another family to receive the same opportunity she had benefited from, she requested a transfer to a smaller, more appropriately sized apartment. She now lives with her daughter in a two-bedroom apartment. A family of nine was able to take her place in the five-bedroom apartment.

Or consider the case of a mother and her son who moved into a two-bedroom apartment from a three-bedroom apartment at East 180th Street & Monterey Avenue so that a couple and their two children could move in from their one-bedroom apartment.

Definitions and the Process

Our process for rightsizing apartments begins with our annual review, during which all residents must provide NYCHA with documentation indicating their income and family size and composition. Using the information collected during this review, NYCHA deems families in apartments with one extra bedroom “under-occupied”; families in apartments with two or more extra bedrooms are considered “extremely under-occupied.” Conversely, families needing one additional bedroom are deemed “overcrowded” and those needing two or more extra bedrooms are considered “extremely overcrowded.” To clarify, the terms “under-occupied” and “overcrowded” are synonymous with the terms “underhoused” and “overhoused,” which are often used with respect to the

Leased Housing, or Section 8, program. It is also important to note that NYCHA's standard occupancy is generally one to two people per bedroom.

Residents in both "under-occupied" and "extremely under-occupied" apartments receive a letter indicating that they should visit their Housing Manager to sign up for the transfer list. At this point, they can request a transfer to an apartment of appropriate size in their development, which is called an "intra-development transfer," or a NYCHA development elsewhere, which is called an "inter-development transfer." If a resident of a merely "under-occupied" apartment fails to follow up, no further actions are taken by NYCHA. Before any action is taken regarding residents of "extremely under-occupied" apartments, a minimum of three letters are sent to the resident. If the resident fails to respond after the third notification letter, they are automatically placed on a list for transfer to a development within their borough selected by the Tenant Selection and Assignment Plan computer system, known as TSAP. Even after residents have been placed on the borough list, NYCHA management will continue to work with them in choosing to transfer to a specific development. If, however, residents are placed on a borough list and subsequently selected by TSAP for a specific apartment, they have two opportunities to select an apartment of appropriate size. Tenancy action may be taken for residents who are in non-compliance of the rightsizing policy. Residents with certain health conditions or with certain mobility impairments may not be required to transfer; we will consider requests for reasonable accommodation on a case-by-case basis.

NYCHA understands that some families who have lived in their apartments for many years will find moving to be a traumatic experience. That is why we provide a number of resources to support the transition into a smaller, more appropriately sized apartment, including modest help with moving expenses. Our Family Services Department offers help with moving logistics and works to support the elderly and those with disabilities or other special needs acclimate to their new apartment. A social worker may arrange for new furniture, provide

emotional support, facilitate school transfers, or link the family to support services and resources.

Cost-Saving Measures in NYCHA's Section 8 Program

NYCHA operates the nation's largest Housing Choice Voucher program, also known as the Section 8 program, having issued more than 91,100 vouchers. Approximately 30,000 property owners participate. Eligibility is based on a family's gross annual income and the family size. Sixty-five percent of NYCHA's voucher holders earn less than 30 percent of area median income (\$50,052). Voucher holders must re-certify annually and notify NYCHA of any additions to the household or if any family member no longer lives in the unit. With this information, NYCHA is in a reasonable position to ensure that voucher holders receive the appropriate level of subsidy for their needs.

To ensure the efficient use of subsidies provided by the federal government, we must implement cost-saving strategies. The federal budget sequester of 2013 significantly reduced funding for all areas of the work we do, including the administration of our Section 8 program. In response to the drastic cuts, our Leased Housing Department took some very important actions to control programmatic costs and ensure no loss of existing vouchers, although rightsizing was not one of them. We ceased all new admissions, reducing the overall size of the program. We billed the originating housing authority for tenants transferring into New York City. We ceased voluntary moves for project-based voucher households. And we restricted moves to higher cost units – emergency transfers are exempt from this policy. We were prepared to revise our payment standards, which would have required a waiver from HUD, but HUD funded our budget shortfall in 2013 and did not approve our waiver requests. But even with the cost-saving measures, HUD shortfall funding, and the depletion of 58 million dollars of our reserve funds, NYCHA's Section 8 program will face a 9 million dollar deficit in 2014.

Rightsizing in NYCHA's Section 8 Program

In NYCHA's traditional Section 8 program, consistent monitoring of available income and family composition ensures that voucher holders are in the right size apartment. Generally, voucher holders choose to rent the size apartment that best fits the voucher for which they are eligible. Thus, rightsizing is less of an issue in NYCHA's Section 8 program – voucher holders usually choose to rightsize to conserve their resources. However, in some cases, if family composition changes, a voucher holder may choose to remain in their current apartment using the payment standard appropriate for their family size.

The situation is different for holders of enhanced vouchers. According to an analysis conducted last summer, NYCHA had about 2,200 enhanced vouchers, a number that continues to decline as families move. We estimate that we have 2,008 enhanced vouchers today. Enhanced vouchers protect tenants during housing conversions, such as Mitchell-Lama opt-outs, by ensuring that they pay no more than 30 percent of their gross income on rent. HUD requires that NYCHA work to ensure that these voucher holders are in an apartment appropriate for the size of their family. This policy is limited to the building in question; that is, when an enhanced voucher holder's family composition changes, HUD requires NYCHA to determine whether there is an apartment appropriate for the new size of the voucher holder's family available in the same building.

Of the 2,008 enhanced vouchers that are currently in NYCHA's portfolio, approximately 626 households are overhoused. The rightsizing policy required by HUD may impact approximately 310 of these 626 households. Some of the 626 voucher holders are exempt due to reasonable accommodations, others because there are no smaller units available. We are in the process of reviewing the 310 households to determine their options, and they will be notified within the next 60 days. We are proceeding with rightsizing in the case of one enhanced voucher

holder – a single person living in a three-bedroom duplex whom we've asked to move to a one-bedroom apartment in the same building.

Our Progress So Far

Since the last City Council hearing on rightsizing, we have translated the rightsizing letters for public housing residents into Spanish, Chinese, and Russian, and all versions of the letters, including English, are available in our internal forms library.

NYCHA continues to work with stakeholders, including residents, resident leaders, elected officials, and advocates, on rightsizing issues. From 2011 through 2013, we transferred 2,339 families, or 4,092 people, out of under-occupied apartments and 2,916 families, or 10,101 people, out of overcrowded apartments. There are currently 12,263 families on our list to transfer out of overcrowded or under-occupied apartments. This includes 2,916 overcrowded and 169 extremely overcrowded families and 7,422 under-occupied and 1,756 extremely under-occupied families.

The Path Forward

Although we've made strides, we know that a lasting, sustainable solution to rightsizing will only be accomplished with the support and investment of our most important partners, including residents and elected officials, and by fundamentally transforming several of the policies that affect overcrowded families. HUD approved TSAP changes proposed in our 2013 Annual Plan that further weight the preference for newly vacant apartments in favor of transfers for current residents. In addition, as of the beginning of this year, residents have preference for an apartment within their development over residents from different developments, if both have the same transfer type.

The best way for us to tackle this issue fairly and sensitively is to continue to invite as many voices as possible to the table. The City Council's ongoing support is crucial for NYCHA as we work to ensure the future of public housing in New York City. To that end, we welcome your continued collaboration in our efforts against overcrowding in public housing and request that you inform your constituents about the benefits our entire City enjoys when all NYCHA families can live in apartments that suit their needs. Thank you for your time today to discuss this important matter. I look forward to updating you on our progress in the coming months, and am happy to answer any questions you may have.