

**The Big Apple Housing Squeeze:
Paying 50 Percent of Income on Rent Becomes More Common**



Presented by
Congressman Anthony D. Weiner
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Introduction

Financial planners suggest that families devote 30 percent of their income to paying for housing costs. But for many families in New York City such a rule of thumb sounds more like a pipe dream.

The imbalance of supply and demand for affordable apartments coupled with a decline in federal housing programs has led to more and more families devoting more and more of their monthly budget to paying rent.

Using data from the Census Bureau's American Community survey, this report shows that far from the ideal of a third, nearly one in three New Yorkers pay 50 percent of their income on rent.

Findings

Citywide: An in-depth look at the data concerning rent costs in New York City shows that nearly 28 percent of New Yorkers, or 529,171 renters, are paying 50 percent or more of their income toward rent. That number has jumped 14.9 percent since 1999.

The Bronx registered as the borough with the greatest percentage of residents paying half or more of their income on rent – with 32.85 percent of residents. The greatest percentage increase was in Staten Island, where nearly 8 percent more residents are spending half of their income on rent since 1999. The number of Manhattan residents spending half of their income on rent remained relatively stagnant – with a little more than a fifth of residents at that level.

Key findings in the new housing study:

- 27.93 percent of New Yorkers, or 529,171 city residents, are spending half their income on rent;
- The number of New Yorkers facing this burden is up 14.9 percent since 1999;
- Largest increase on Staten Island, where there was a 40.8 percent spike over the past six years; and
- Manhattan registered the smallest increase in burden – with only a one percent increase.

Percentage of New Yorkers Spending Half Their Income on Rent

Borough	1999	2000	2002	2005	2006
Bronx	29.10%	27.20%	27.20%	32.00%	32.85%
Brooklyn	25.50%	26.50%	22.90%	26.30%	29.97%
Queens	22.00%	22.00%	20.00%	24.60%	28.02%
Manhattan	22.20%	20.00%	21.40%	23.10%	22.57%
Staten Island	19.40%	21.50%	23.80%	21.30%	27.32%
NYC Total	24.30%	23.70%	22.70%	26.00%	27.93%

Source: 2006 U.S. Census Bureau – American Community Survey, and New York City Housing and Vacancy Survey. Analysis completed by the Office of Representative Anthony D. Weiner.

Numbers of New Yorkers Spending Half Their Income on Rent

Borough	1999	2006	Difference
Bronx	88,339	116,916	28,577
Brooklyn	140,239	167,835	27,596
Queens	87,262	110,332	23,070
Manhattan	111,029	122,267	11,238
Staten Island	9,699	11,821	2,122
NYC Total	436,569	529,171	92,602

Source: 2006 U.S. Census Bureau – American Community Survey and the New York City Housing and Vacancy Survey.

Borough-by-Borough Analysis of Rent Costs

Bronx: One in three Bronx residents spent half of their income on rent in 2006. The Bronx registered the fourth largest percentage increase in the five boroughs. And still, there was an alarming 12.8 percent increase in the number of residents paying half of their income or more on rent. The borough also registered the largest total increase in residents, 28,577, who now pay 50 percent of their income as compared to 1999. The burden of rent facing Bronx residents has increased sharply since 2000 – a 20 percent spike.

Brooklyn: Overall, nearly one in three Brooklyn residents pay more than 50 percent of their income toward rent. Similar to the rest of the city, the burden of rent facing Brooklyn residents dipped in 2002, and then skyrocketed again from 2002 to 2006 – jumping 30 percent in that four-year period (up a total of 27 percent including all years). By 2006, more than 27,000 additional Brooklyn residents, more than 167,000 in all, spent half of their income on rent.

Queens: Queens registered the second highest increase in the percentage of residents spending 50 percent of their income – a 27.4 percent increase from 1999 to 2006. The most current data shows that over 110,000 Queens residents are saddled with the heavy burden of rent – 23,070 more Queens residents than in 1999. In fact, the percentage of Queens residents spending half of the income on rent has jumped more than 40 percent as compared to 2002.

Manhattan: While the other boroughs faced double digit increases in the percentage of residents spending half of their income on rent, only 1.7 percent more of Manhattan residents are facing this heavy burden from rent. This increase was the smallest of the five boroughs. Despite this relatively small increase, 11,238 more Manhattan residents – 122,267 residents in all – are devoting more and more of their income toward rent. That's more than one in five Manhattan residents.

Staten Island: Of all the boroughs, Staten Island registered the largest percentage increase in the number of residents spending half of their income on rent. In fact, the percentage of Staten Islanders spending half of their income on rent in 2006 as compared to 1999 increased by more than 40 percent. In total, 11,821 Staten Islanders now spend 50 percent of their income on rent.

Recommendations

Rep. Weiner unveiled a five-part plan to deal with the problem of affordable housing by expanding and preserving housing options in New York City and authoring new legislation to spur more private investment in so-called 80-20 housing. Weiner's plan includes the following steps:

- 1. Restore Section 8 Cuts:** Nationwide, the Section 8 program provides housing to nearly 2 million low-income households. However, over 160,000 families are on the waiting list for Section 8 housing in New York City. Despite this long wait list, President Bush's recent budget would slash it nearly \$600 million from the Section 8 program, putting an estimated 100,000 households on the street with no assistance. Rep. Weiner supported the passage of the Section 8 Voucher Reform Act (HR 1851), which would change the funding formula of Section 8 to increase the number of families receiving Section 8 vouchers and authorize a total of 100,000 new vouchers. The bill passed the House in July 2007 and is awaiting action in the Senate.
- 2. Revive Senior Housing Program:** Providing affordable housing to seniors is vital as the baby boomer generation ages. A 2002 commission on the need for senior housing found that an additional 730,000 units of affordable housing units will be needed by 2020. Yet for every unit of this elderly housing, there are 10 eligible low-income seniors on the waiting list. Still the Bush Administration has proposed cutting the only program that exclusively provides housing for the elderly by \$195 million. Rep. Weiner helped the House pass the Section 202 Supportive Housing for the Elderly Amendments Act of 2007 (HR 2930). The bill will help preserve the existing supply of affordable housing for seniors, while facilitating the development of new homes to meet increasing demand. The bill was passed by the House in December 2007 and is awaiting action in the Senate.
- 3. Fully Fund Public Housing:** Over 400,000 people in New York live in public housing. However, there are over 125,000 more New Yorkers that are on a waiting list for public housing. It is estimated that public housing authorities, such as the New York City Housing Authority, need \$8.7 billion nationwide to fully fund public housing. Yet the Bush budget only allocated \$2.4 billion less this year. Rep. Weiner is proposing to fully fund public housing needs at \$8.7 billion.
- 4. Increase Federal Bonds for Private Builders:** The federal government provides each state with a specific, annual allocation of tax-free bonds to invest in public works such as new affordable housing, hospitals, or universities. In fiscal year 2007, the federal government provided \$28.2 billion to states through this private activity bonds program, including \$1.6 billion to New York and approximately \$500 million to New York City. Many of these federal bonds go toward the 80/20 Program, which uses tax-exempt bonds to create affordable housing for low-income tenants throughout the city. In exchange for the low-cost financing, the developer reserves 20 percent of the apartment units for low-income tenants. Rep. Weiner plans to introduce a bill this week that will help redistribute unused federal housing bonds to high-population areas, meaning that New York City could see an increase of millions of dollars in federal funding for affordable housing.

- 5. Crack Down on Bad Landlords:** New York City landlords are required by law to maintain apartments in good condition and provide tenants with basic necessities such as heat and hot water. Unfortunately, far too many landlords do not live up to their responsibility. In 2007, the New York City Department of Housing Preservation and Development (HPD) responded to over 600,000 complaints from tenants about basic necessities, safety and maintenance issues. While HPD is responding as best as they can with limited resources, it can still take 24 hours for inspectors to respond to emergency complaints. Building on the City's new Alternative Enforcement Program, Rep. Weiner is calling for tripling inspection capacity and aggressive targeting of problem landlords and distressed buildings.