



Breaking the Cycle of Homelessness
for Women and their Children

**Win (Women in Need) Testimony:
NYC HRA Proposed Rule Amending Rental Assistance Payment Standards
August 30, 2021**

As New York City's largest provider of shelter and supportive housing for families with children, we are excited and relieved that the CityFHEPS voucher will now reflect the actual cost of housing in the city, providing families in shelter with an effective tool for finding and affording a permanent home. We commend the HRA for amending the rules to set the value of the CityFHEPS voucher in accordance with the value of the Section 8 voucher in New York City. This not only ensures that CityFHEPS truly reflects the locally determined cost of housing, it also aligns the city program with the gold standard in rental assistance - federal Section 8 - and is a step toward parity among the programs available to tenants and landlords.

CityFHEPS has the potential to be the city's most powerful tool for abating the homelessness crisis. Many of the proposed amendments will achieve tremendous progress toward fulfilling the program's potential, but the program will fall short unless the Administration also addresses a missing fundamental component of the amended rules: the income cliff.

Under the proposed rule, a household is eligible for CityFHEPS until their income exceeds 250 percent of the federal poverty level (FPL), at which point they are not eligible for the annual renewal and lose their rental assistance. For a family of three living in a two-bedroom apartment, this means that once their income reaches \$55,000 /year, which is categorized as low-income in New York City, they lose their CityFHEPS eligibility and become responsible for paying the entirety of the \$2,217 in rent each month unassisted. That represents nearly half of their pre-tax income, absorbed by rent. This severe rent burden is unaffordable and unsustainable, and a prime risk factor for families returning to homelessness. The income cliff is even greater for a single New Yorker living in a studio apartment, who would find themselves paying 70 percent of their income in rent if they lose their CityFHEPS voucher at the 250 percent of FPL cut off.

Until the income cliff is addressed, New Yorkers utilizing CityFHEPS will face an impossible choice: growing their income while risking losing their housing and returning to homelessness, or being stuck in poverty in order to remain housed. Neither option is acceptable. We cannot build diversions back into homelessness in the very programs intended to support housing stability for low-income households. And, ultimately, we cannot achieve a stably housed city with program rules that keep New Yorkers in poverty.

The Administration can fix the income cliff for CityFHEPS voucher holders. Just as the value of the voucher is now being set according to the successful Section 8 program's rates, the Administration must also follow the Section 8 model for on-going eligibility. The proposed amendment that sets the renewal eligibility at 250 percent of FPL must be rejected, and the rules must instead be amended so that households maintain eligibility until 30 percent of their income is equal to their home's market rent amount. This means that over time, a CityFHEPS household will always contribute 30 percent of their income to rent, even as the actual dollar amount contributed increases along with their income, until such point when they can afford the rent unassisted. This gradual off-ramp from CityFHEPS is the most effective way to ensure housing affordability and protect households from rent burdens that can result in a return to homelessness.

New Yorkers have waited long enough for the value of the CityFHEPS rental voucher to reflect the actual cost of housing in the city. We thank the Administration for working quickly to amend the program rules to put an effective tool in the hands of families in shelter, so that they may move to stable housing as quickly as possible. We now call on the Administration to ensure that those families do not need to return to shelter as they build their financial strength. Win kindly requests HRA to strike the amendments that make renewal eligibility contingent on earning less than 250 percent of FPL, and instead tie renewal eligibility to the household's ability to afford a rent that reflects the New York City market, as the value of the voucher will now do. Please amend the CityFHEPS rule to eliminate the income cliff which creates a path back into homelessness.

We look forward to collaborating with HRA and the Administration to ensure that New Yorkers can work toward a brighter future without fear of returning to homelessness. We also look forward to a smooth roll out of these much needed and much awaited program improvements.