



FEDERATION OF PROTESTANT WELFARE AGENCIES

## **TESTIMONY**

of

**The Federation of Protestant Welfare Agencies**

**Before the**

**New York City Council General Welfare Committee**

**Public Hearing on Resolution 2145**

**September 23, 2009**

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My name is Esther Lok and I am the Assistant Director of Policy, Advocacy and Research and Senior Policy Analyst for HIV and AIDS at the Federation of Protestant Welfare Agencies (FPWA). For 87 years, FPWA has been a leading policy advocate for individuals and families served by our almost 300 member human service agencies and churches in and around New York City. FPWA promotes the social and economic well-being of greater New York's most vulnerable by strengthening human service organizations and advocating for just public policies.

I would like to thank the City Council for the opportunity to submit testimony on Resolution No. 2145, which calls upon the New York State (NYS) Assembly to pass A.2565. The proposed NYS legislation is intended to amend the New York State Social Services Law to limit the amount of income that persons living with clinical/symptomatic HIV or AIDS who are receiving monetary assistance for their shelter are required to contribute towards the cost of shelter.

FPWA believes that A.2565, with a companion bill, S.2664 which passed the Senate in July 2009, should become law because it not only alleviates the financial burden of low-income persons living with HIV or AIDS, but it is also a cost-saving measure that will benefit both the City and State governments of New York.

Under this bill, the rent paid by low-income persons with HIV or AIDS who are receiving rental assistance through New York City HIV/AIDS Service Administration (HASA) would be capped at 30 percent of their household income. Currently, HASA clients who receive income through Supplemental Security Income, Social Security Disability Insurance or Veteran's Benefit pay an average of half or more of their income towards their rent. *In some cases, these clients are left with \$300 per month or \$11 per day to live on, forcing them to make extremely difficult decisions, such as choosing between paying their medication, food or shelter.*

The existing policy is in contrast to tenants in other enhanced rental assistance program, such as supportive housing, NYC Housing Authority and Section 8, where the

rent share burden is calculated at 30% of income, which is the HUD-established standard for affordable housing. It also leads to disproportionate rates of rent arrears and eviction among HASA clients receiving rental assistance. HASA ultimately pays either the cost of rent arrears or moves clients who have been evicted into emergency housing that costs an average of 2.5 times as much as a private market apartment.

Consider the following scenario that was developed by Shubert Botein Policy Associates in August 2009:

Of the total current number of HASA clients (10,807), assume the eviction rate of this group on average is 10%. This means that about 1,081 HASA clients are evicted because they can no longer afford to pay more than 30% of their total income towards the cost of shelter. Assume these clients are then transferred to Single Room Occupancy (SRO) units for a maximum of 159 days at \$55 per day. The cost for NYC for each evicted HASA client would be \$8,745, and the total cost for NYC for 1,081 HASA clients would be more than \$9 million. However, if this group of clients continues to receive rental assistance for 159 days, the cost to NYC would only be about \$4 million -- \$5 million less than the cost incurred as a result of eviction.

A.2565 will directly help New York save money by reducing the frequency of evictions and rent arrears. According to the National AIDS Housing Coalition<sup>1</sup>, the prevalence of HIV and AIDS is up to nine times higher among persons who are homeless or who have unstable housing. Research findings demonstrate that stable and permanent housing is essential to treatment adherence and favorable health outcomes for persons with HIV or AIDS. This bill will help promote housing stability which will indirectly save on cost of emergency room visits and inpatient admissions.

FPWA believes a limit on the amount of household income paid towards rent will allow medically-vulnerable, low-income New Yorkers with HIV or AIDS to stay in stable housing, while retaining sufficient resources to meet medical and related needs. FPWA

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<sup>1</sup> <http://www.nationalaidshousing.org/HousingandHIV-AIDSRsearchSummit.htm>

urges the City Council to pass Resolution 2145 and help advocate for the enactment of A.2565/ S.2664 into law.

Thank you for the opportunity to present testimony on this subject matter.