



**Testimony of Amshula Jayaram
Senior Campaign Strategist, Dēmos
Before the Senate Committee on Housing, Construction, and Community Development
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Good afternoon, and thank you to Chairman Kavanagh and Members of the Committee for the opportunity to testify here today in support of all 9 bills on the Housing Justice for All Platform.

My name is Amshula Jayaram, Senior Campaign Strategist at Dēmos, a dynamic “think and do” tank dedicated to powering the movement for a just, inclusive, multiracial democracy. I am also a resident of the 20th District which, like too many neighborhoods throughout New York State, is visibly buckling under the housing crisis. We are in full support of the reforms today and ask the Committee to pass this strong and urgent package of rent laws.

Just last month, Dēmos issued a report on the affordable housing crisis in the U.S. Unsurprisingly, the factors which have contributed to these crises are consistent across the country, as are the solutions. This report concludes with a series of recommendations which include establishing National Rent Control and Good Cause Eviction, two powerful policy mechanisms that can stem the bleeding of affordable units and the dissolution of communities.

U.S. Housing Policy Supports the Rich, Not the Poor

The U.S. already spends enough money to solve the housing crisis. The problem is that this money goes toward subsidizing the rich, rather than the poor. Robert E. Friedman, in his book, *A Few Thousand Dollars: Sparking Prosperity for Everyone*, notes that the “wealthiest 5 percent of taxpayers get more than \$200 billion in annual homeownership tax breaks—more than the bottom 80 percent combined.” He also notes that these “upper-income tax subsidies are four times the entire annual budget of the federal Department of Housing and Urban Development”—the agency that is supposed to help provide housing for the poor.¹ The Center on Budget and Policy Priorities found that a larger share of federal spending on housing went to 7 million households with incomes of \$200,000 or more than to the more than 50 million households with incomes of \$50,000 or less.² In the 2019 session in New York State, the proposal for a pied-a-terre tax was one attempt to push

¹ The majority of the data and information contained here comes from the following report issued by Dēmos and authored by Algernon Austin, but I will include the primary source citations as well. The report can be found at: <https://www.demos.org/policy-briefs/affordable-housing-all>.

² Fisher and Shard: *Chart Book, Federal Housing Spending is Poorly Matched to Need*.

back against a system that favors rich homeowners (in this case, homeowners with multiple homes) over poor renters. The failure of this legislation to pass at a time when the lack of affordable housing has reached crisis levels speaks volumes about the power of private interests who have blocked meaningful reform for so long.

Unaffordable Housing Prevents Families From Building Wealth

The lack of affordable housing not only creates a daily struggle to survive for many families, but it also prevents families from building wealth. According to the Joint Center for Housing Studies, the NY-NJ Metro Area ranks 41 out of the 101 most cost-burdened metropolitan areas in America. Just over 85 percent of families here are cost-burdened, meaning they spend more than 30 percent of their income on rent, and 71.5 percent are severely cost-burdened, meaning they spend over half of household income on rent.³

Under either of those scenarios, families not only struggle to pay for necessities like food and clothing, but also to save or invest. A Dēmos analysis of data from the Federal Reserve's Survey of Consumer Finances found that while the median value of the financial assets of homeowners (not including homes and other property) was \$68,000, the median value of assets for renters was just \$2,000.⁴ This is a critical point because it underscores how policy choices made by powerful decision makers can set generational poverty in motion. Children of parents with \$2,000 in the bank will have very different choices and opportunities than children of wealthier families, to say the least. The data on housing costs also show that there are real barriers to building wealth in this country for the vast majority of people. On the other hand, rent control can help people to start saving. An analysis of rent control in San Francisco showed that regulation saved tenants between \$2,300 and \$6,600 per year.⁵

Limited Supply of New Affordable Housing, and the Loss of Existing Units

One of the main drivers of the current housing crisis identified in our recent report is that for decades, private developers and the government have simply not been building enough affordable rental housing. In the 1990s in New York City, private developers built only 85,000 new units for an additional 456,000 city residents. Further, many of these units were priced for higher-income tenants.⁶ Compounding that problem, policymakers have allowed for the continual loss of existing affordable units. Nationally, we have lost at least 400,000 subsidized housing units through

³ Algernon K. Austin, "America Has a Right to Housing...For The Rich," Dēmos, December 2018, <https://www.demos.org/blog/america-has-right-housing-rich>.

⁴ Dēmos analysis of data from the Federal Reserve's *Survey of Consumer Finances* obtained from the SDA: Survey Documentation and Analysis archive, <http://sda.berkeley.edu/archive.htm>.

⁵ Rebecca Diamondy, Tim McQuadez, and Franklin Qian, "The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco," *NBER Working Paper No. 24181*, National Bureau of Economic Research, January 2018. <https://www.nber.org/papers/w24181>.

⁶ Nicholas Dagen Bloom, *Public Housing That Worked: New York in the Twentieth Century* (Philadelphia: University of Pennsylvania Press, 2008), p. 246.

demolition and conversion to market-rate units since the late 1980s.⁷ The Joint Center for Housing Studies estimates that we will lose over 1 million more subsidized rental units over the next decade.⁸

These problems are not intractable. Each of them has known solutions. Development of affordable housing, regulations to control the rate of rent increases, establishing strong tenant protections like Good Cause Eviction, are just some of the proven solutions to keep families in their homes. For example, the Department of Veterans Affairs and the Department of Housing and Urban Development cut homelessness among veterans by half in just 8 years because there was a commitment from the government to do so.⁹

In closing, I would like to add that this emergency is a result of choices made by policymakers over decades, and by the persistent and toxic impact of money in politics. The fact that 89,000 people don't have shelter in this state is not an accident. There is a direct line between homelessness and housing insecurity and the power of the real estate lobby to block meaningful housing reform. I applaud the legislature's commitment to preserving affordable housing and protecting tenants, but this is just another symptom of a larger problem. Lax campaign finance laws allow moneyed interests to drown out the voices of people in need, with shameful consequences. Fairness and equality demand that we not only deal with the symptoms, but we ultimately attack the root.

Thank you for your time today.

⁷ Rachel G. Bratt, Michael E. Stone, and Chester Hartman, *A Right to Housing: Foundation for a New Social Agenda* (Philadelphia, PA: Temple University Press, 2006), p. 12; Michela Zonta, *Homes for All: A Program Providing Rental Supply Where Working Families Need It Most*, Center for American Progress, July 24, 2018. <https://www.americanprogress.org/issues/economy/reports/2018/07/24/452645/homes-for-all/>.

⁸ Joint Center for Housing Studies, *America's Rental Housing 2017*, Harvard University, 2017. <http://www.jchs.harvard.edu/research-areas/reports/americas-rental-housing-2017>.

⁹ Kelsey Ramírez, "Veteran Homelessness Drops Nearly 50% Since 2010: But Decrease Slows Under Trump Administration," *Housing Wire*, November 1, 2018, <https://www.housingwire.com/articles/47284-veteran-homelessness-drops-nearly-50-since-2010>.