



New York State Senate and Assembly
Joint Session on the FY 2014-2015 Executive Budget – Human Services
February 4, 2014

Voices Of Community Activists & Leaders (VOCAL-NY)

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Good afternoon. My name is Alyssa Aguilera, and I am the Political Director for VOCAL-NY. VOCAL-NY works to create healthy and just communities by working with low-income New Yorkers affected by HIV/AIDS and hepatitis C, drug use, and incarceration.

I am testifying today to urge the Senate and Assembly to include Article VII language in the budget that would close a loophole putting over 10,000 low-income people living with HIV/AIDS at risk for homelessness and trapping hundreds more in costly, unhealthy shelters. The language should be modeled on legislation sponsored by Senator Brad Hoylman and Assembly Member Robert Rodriguez (S.3022/A.7782), which would fix a serious flaw in the rental assistance program for low-income people living with HIV/AIDS by capping their rent payments at 30 percent of their disability income.

This policy proposal has received widespread bipartisan support in the legislature. Formerly sponsored by Senator Thomas Duane and Assembly Member Deborah Glick, the bill passed with strong bipartisan support in 2010 before then Governor David Paterson vetoed it due to misguided opposition by Mayor Michael Bloomberg. The former mayor's opposition stymied further movement on the bill since then. Thankfully, Mayor Bill de Blasio stated his "aggressive, unequivocal" support for this proposal during last week's joint budget hearing on January 27th.

As with other low-income housing programs in New York, permanently disabled people living with HIV/AIDS who rely on rental assistance contribute a portion of their federal disability income towards their rent. Unlike other programs, however, the HIV/AIDS rental assistance program put in place in the 1980's does not include an affordable housing protection. All other state and federal disability housing programs – including supportive housing, Section 8 and public housing – cap a tenant's rent contribution at 30 percent of income. In contrast, current NYS OTDA policies require that persons with HIV/AIDS who receive income from any source be budgeted for the rental assistance program at a rent contribution level that reduces their discretionary income to the level of the public assistance grant. Permanently disabled PLHWA are therefore required to contribute between 50% and 80% of their fixed income from disability benefits (SSI, SSDI, or Veteran's benefits) towards

their rent, leaving about \$12/day to meet all other expenses. HUD defines payment of more than half of income towards rent as a “severe rent burden.”

This policy has two pernicious impacts. First, it causes tenants to fall behind in rent, leading to housing loss, disruption of HIV care and avoidable health crises. Second, the policy acts as a powerful disincentive to independence, as more stable residents opt to enter or stay in supportive housing in order to reduce their rent burden. As a result, there is very little turnover in the permanent supportive housing system, keeping people with more complex needs homeless. As of December 2013, there were 1,944 homeless people living with HIV/AIDS in emergency housing programs funded by the NYS OTDA and the NYC HIV/AIDS Services Administration.

The “30 percent rent cap” policy would extend the same affordable housing protection that already exists in every other comparable low-income housing program to the HIV/AIDS rental assistance program, so that low-income people living with HIV/AIDS in the program pay no more than 30 percent of their disability income towards rent. To be clear, this proposal would not create a new program. It would merely fix an existing rental assistance program that is being undermined by high rates of arrears and housing loss.

Moreover, this proposal would pay for itself. An analysis by Shubert Botein Policy Associates (SBPA) estimated that annual reductions in crisis and emergency housing costs for the 10,000 severely rent burdened people living with HIV/AIDS in the program will more than offset the estimated \$20.7 million incremental annual rental assistance cost to New York City and State – making the affordable housing protection cost-neutral or even cost-saving for City and State agencies responsible for the rental assistance program. What is unique about this offset is that funding for emergency housing and arrears payments for low-income people living with HIV/AIDS comes out of the same funding line as rental assistance payments. In other words, a dollar saved in emergency housing can be immediately spent to pay for the cost of the cap in the rental assistance program. New York would realize this direct and immediate cost offset within OTDA’s budget before taking into account additional indirect savings from unnecessary Medicaid spending and averted new HIV infections.

This policy presents a rare opportunity to save lives by ensuring stable and affordable housing for some of our most vulnerable fellow New Yorkers and save City and State taxpayers money by making HIV/AIDS rental assistance more equitable and efficient.

Respectfully submitted by:

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