

## **MAKING THE RENT – WHO’S AT RISK?**

### **CSS REPORT FINDS HOUSING HARDSHIPS EXPANDING AMONG LOW-INCOME NEW YORKERS IN THE PRIVATE RENTAL MARKET**

#### **Near Poor Residents are Joining the Poor in Struggling to Pay Rising Rents**

New York, NY, May 7, 2008 – The majority of New York City’s one million low-income households (62 %) live in the private rental market where soaring rents and static incomes are exacerbating a long-standing affordability crisis. Poor tenants pay an average 62 percent of their income in rent, while near-poor tenants pay more than 42 percent of their income. Among them, families with children under 18, particularly single-headed families are experiencing intense rent-income stresses as well as a high and growing rate of housing hardship.

About 235,000 low-income households with children are in this position. Almost all are working families - 90 percent reported income from work during the previous year. A large majority (69 percent) supported themselves solely on work-related income. Only a small proportion (6 percent) relied exclusively on public assistance. Half of the families had married heads (52 percent); half were single-headed (48 percent), half were Hispanic families (48 percent); more than a fifth were Black families (22 percent).

The Community Service Society of New York (CSS) today released **“Making the Rent: Who’s At Risk,”** a report documenting the serious hardships that low-income New Yorkers in the private rental market face as a result of the city’s high rents and severe chronic housing shortage.

David R. Jones, president and CEO of CSS said, “The housing situation in New York continues to be disastrous and shows no sign of improving.” Jones added, “Low-income families across the five boroughs face an unfathomable challenge of survival, moving closer to homelessness and hopelessness, particularly Black and Latino residents who together comprise 70 percent of low-income families in the rental market.”

The report found that in 2007, nearly half (47%) of New York’s low-income renters (with income up to twice the federal poverty level) experienced at least one housing hardship such as falling behind in rent, having utilities cut off, doubling up with others, or seeking

shelter. It asserts these hardships result from high and rising rents in relation to static incomes.

For all poor renters, the housing situation in the city continues to be disastrous. Of the 323,000 poor households in the city, 24 percent are Black and 36 percent are Latino. Sixty-five percent of poor households pay at least half of their income for rent. Once the rent is paid, their residual monthly income is just \$134 per family member. Each family member must live on an average of less than \$5 a day for food, clothing, medical costs, transportation, school supplies, and all other expenses.

The level of hardship for near-poor households is rising rapidly and now approaching that of the poor. While the situation was consistently dire for poor households, it was rapidly worsening for the near-poor during the same period. Once rent was paid, the per-person residual income for near-poor households in private housing dropped dramatically from \$446 in 1996 to \$393 in 2005 – the result of rising rents that were eating into limited income gains. “The experience of the near-poor families is a sad indicator of the direction of the city,” said Jones. “These are families making up to \$33,000 a year for a family of three, and yet they are being left behind by the rental housing market.”

Jones added, “Rising rent burdens demand that the state provide some relief to renters. Renters pay taxes and should not be pitted against homeowners for relief.” Jones is recommending to Governor Paterson, that the state address this issue, in a correspondence prior to the release of the interim report of the Suozzi Commission, which addresses property tax relief for residents of New York.

CSS recommends elected officials consider a number of proposals to address the rental crisis in New York. First, extend equitable tax relief to low-income renters, comparable to what homeowners receive regardless of income, so that renters and their children can survive the rising cost of living. Secondly, New York State should expand its “circuit breaker,” the New York State Real Property Tax Credit, a refundable tax credit, which since 1978 has offered only marginal benefits to low-income renters and homeowners. As the Governor considers reform of the generous \$5 billion STAR tax rebate program for homeowners, it should be understood that renters also pay rising property taxes through their rents. STAR reforms should include them.

“New York cannot afford to ignore or minimize housing inequities in the city,” Jones added. “Left unaddressed, ignoring these issues will lead to even greater housing crisis.”

***“Making the Rent: Who’s at Risk?”*** was written by CSS housing policy analysts Victor Bach and Tom Waters. Findings are based on an analysis of CSS’s annual Unheard Third survey of more than 1,000 low-income New Yorkers and the U.S. Census Bureau’s triennial New York City Housing and Vacancy Survey. A copy of the ***“Making the Rent: Who’s at Risk?”*** and the ***“Unheard Third,”*** which chronicles a wide range of hardships, can be found at [www.cssny.org](http://www.cssny.org).

The Community Service Society of New York (CSS) has been the leading voice on behalf of low-income New Yorkers for 161 years and continues to advocate for the economic security of the working poor in the nation’s largest city.