TREADING WATER
Renters in Post-Sandy New York City
MAKE THE ROAD NEW YORK, 2014
ABOUT MAKE THE ROAD NEW YORK

Make the Road New York (MRNY) is New York City’s largest community-based, membership organization that promotes economic justice, equity and opportunity for all New Yorkers through community and electoral organizing, strategic policy advocacy, leadership development, youth and adult education, and high quality legal and support services.
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EXECUTIVE SUMMARY

Hurricane Sandy made landfall in the New York City region on October 29, 2012 and within a matter of hours damaged or destroyed more than 650,000 homes, killed dozens of people, and turned the lives of thousands upside-down. More than half of the people affected by the storm were renters. Over the past year and a half Make the Road New York and allies have been tracking and responding to the unique needs faced by renters in Sandy-affected areas including skyrocketing rents, homelessness, overcrowding, looming evictions, dangerous and unsanitary housing conditions, nutritional insecurity and chronic displacement.

At the same time, most media coverage and official statements related to the storm focus on homeowners. Renters, who are more likely to be poor and of color, are rarely mentioned. This report begins to document the needs of renters affected by Hurricane Sandy in New York City by analyzing how renters were faring before the storm, how Sandy impacted renters, and the long-term effects of the storm and recovery on renters.

Our research shows that renters face particularly urgent needs and that as we move further away from the date of Sandy’s landing, renters face increasing hardship rather than moving closer to recovery.

Methodology

This report combines academic reviews of respected secondary sources with in-depth primary research through multiple focus groups and interviews with Sandy-impacted families, as well as an intensive survey of Sandy-impacted families who rent rather than own their homes. The core resources that form the basis of this report include:

- Data and analysis from a survey of 450 renters in Sandy-affected areas in Staten Island. The results provide information about changes in rent, housing size and overcrowding.
- A parallel survey of 100 renters conducted by New York Community for Change in Brooklyn and Queens.
- Hundreds of in-depth conversations with Sandy-affected renters, which shed further light on the nature of the rental housing crisis in Sandy-affected areas and the effects of the crisis on individuals and families.
- Studies of the New York City housing market, including research conducted by the Furman Center, the Pratt Center, Chhaya CDC, Enterprise Community Partners and the New York City Housing and Vacancy Survey.
• Data provided in Federal Emergency Management Agency (FEMA) registrations, the New York City’s Special Initiative for Rebuilding and Resiliency (SIRR) report, New York City’s Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan, and the Federal Sandy Taskforce report.
• Press releases, media coverage, and other similar sources that highlight the effect of Sandy on the City.
• Reports and research on the effects of Katrina that provide background and case studies of previous disasters.
• Housing and Urban Development (HUD) regulations governing CDBG-DR funds and theFair Housing Act (FHA).

**Key findings**
Based on the original and secondary research conducted, we found that:

• New York City renters who were affected by Hurricane Sandy have a median income of $18,000, which is approximately half the median income of renters in New York City as a whole.
• Renters affected by Sandy are more likely to be low-income and of color than their homeowner counterparts.
• 36% of people interviewed are paying more rent now than they did before the storm.
• The median rent paid by Sandy-affected households has increased $200 a month since the storm.
• 40% of renters interviewed did not return to their pre-Sandy address.
• Many survey participants are living in smaller spaces and moving from single families homes to apartments.
• Many Sandy-affected renters report they are unable to afford healthy food and other basic necessities as a result of increased rent.
• Structural barriers, such as the lack of translation and interpretation services for non-native English speakers, have prevented many renters from accessing available resources.

**Lessons from past disasters, and risks faced by Sandy-affected renters**
In addition to painting a more complete picture of the effects of Sandy on renters, this report also provides an analysis of the recovery process to date, as well as legal and historical arguments for focusing additional attention and resources on renters. For example:

• In New Orleans rents increased 40% after Hurricane Katrina, as a result low-income people and people of color were less likely to return home.³
• Sandy-affected renters, who are more likely to be low-income and of color, are at risk of displacement by rising rents in affected areas.
• The displacement of renters and immigrants from Sandy-affected neighborhoods could have a negative economic impact on local communities.
• The loss of affordable housing due to Sandy has exacerbated an already existing affordable housing crisis.
• The Fair Housing Act and HUD regulations governing the use of recovery funds require the City to affirmatively create and promote the availability of affordable housing, ensure that the recovery does not have a disparate impact on protected minority groups and examine the impact of its activities on low-income and minority communities.

Recommendations
Based on our findings, we offer the following policy recommendations to ensure that existing renters can participate in the rebuilding of their communities and displaced renters can return home.

• Increase resources for the Temporary Disaster Assistance Program (TDAP), which provides rental assistance to Sandy-affected families and individuals and implement measures that will increase the likelihood that people can use the vouchers in both current and pre-Sandy neighborhoods.
• Re-open Build it Back registration and conduct extensive outreach to renters to ensure they are able to register for the program.
• Lower structural barriers such as language access that are preventing some renters from accessing assistance.
• Ensure that undocumented immigrants affected by the storm are able to access rental vouchers by using HUD’s and the City’s discretion to adopt a legal interpretation of the Personal Responsibility and Work Opportunity Reconciliation Act that includes undocumented immigrants and by implementing TDAP Private, which is a synthetic voucher program funded with private money.
• Through the Build it Back program, the City will purchase some homeowners’ properties through the acquisition program. In these cases the City will own the land and be able to redevelop it for other uses. The City should use these properties and CDBG-DR and leveraged funding to build new affordable housing units in the Sandy-affected areas.
• Pilot and implement strategies to ensure the affordability of rental housing in Sandy-affected areas.
• Provide incentives to prevent real-estate speculation in Sandy-affected areas.
• Provide supports to landlords to rebuild and rent their Sandy-affected units at affordable rates.
A CITY OF RENTERS—NEW YORK CITY’S HOUSING MARKET BEFORE HURRICANE SANDY

It is often said that natural disasters are “great equalizers,” that affect people of all socio-economic statuses equally. However, severe inequalities that pre-exist natural disasters allow some individuals and groups to bounce back more quickly and completely than others. In the following section we look at the inequalities that existed in New York City’s housing market before Hurricane Sandy that were exacerbated by the storm.

Renters represent at least two-thirds of New York City households

By official measures, the homeownership rate across the City is 31.3%, leaving renters to represent over two-thirds of the City’s households. These figures are based on housing units, rather than families, and therefore likely underestimate the percentage of renters. For example, unregistered apartments which could number in the tens of thousands are not represented. This estimate also excludes multiple families sharing a single housing unit, which in a city of high rents and low vacancy rates is very common. Based on these factors it is likely that the percentage of the City’s renter population is even higher than 69%.

Rent burdens have reached historical highs

Renters in New York carry an enormous financial rent burden, which, in practical terms, means they have fewer resources to meet their daily needs or to manage emergencies such as Sandy. According to widely recognized definitions, housing is affordable when it does not exceed 30% of a household’s income. If a household pays more than 30% of its income in rent it is considered “rent burdened.” Households that pay more than 50% of their income towards housing are defined as “severely rent burdened.”

In New York City rising rents have far outpaced increases in income, resulting in a growing and serious rent burden across the City. According to New York City’s 2011 Housing and Vacancy Study, more than 50% of New Yorkers are rent burdened, and 30% of households are severely rent burdened— the highest rent burden in New York City’s history. In the decade between 2000 and 2010 the number of households paying unaffordable rents increased by 20%.
Rent burden hits low-income families the hardest

Rent burden is not equally distributed across all income levels. It hits low-income families the hardest. The graph below depicts data captured by the 2010 American Community Survey which found that 84% of low-income households in New York City (earning less than $35,000 a year) are rent burdened, compared with 38% of middle-income households (earning between $35,000 and $75,000), and only 7% of high-income households (earning more than $75,000 a year).9

Percentage of Rent Burdened Households in New York City by Income Level

Not only are low-income New Yorkers more likely to be rent burdened than higher income New Yorkers, but their rent burden is likely to be greater. Low-income renters spend 46.9% of their income on housing costs, while the renters in the City as a whole spend 32.5% of their income on housing.10 This difference of 14% means that low-income New Yorkers have a significantly smaller proportion of already lower incomes to cover other expenses.

Even before Sandy hit, the housing situation in New York City was dire, especially for low-income New Yorkers. These inequalities and pre-existing factors combine to make low-income populations more vulnerable to the effects of natural disasters like Sandy, and thus less able to bounce back from the storm.
In New York City:

- More than 50% of households are rent burdened
- 84% of low-income households are rent burdened
- 30% of households spend at least half their income on housing
- Between 2000 and 2010 the number of rent burdened households grew by 20%

Before the storm many low-income renters were struggling to make ends meet. Below are a few case studies illustrating how pre-existing poverty has been exacerbated by Sandy:

- Alberta was living in Staten Island before the storm, and spending 70% of her income on rent. Her landlord increased the rent $50 a month to cover damages caused by Sandy. Now Alberta has to choose between school clothes for her sons and putting food on the table.
- Veronica was living with her husband and two children when Sandy destroyed their house, and both Veronica and her husband lost their jobs. The only place they could find to live cost $425 more than their old home. Neither has been able to find new work- in part because previously they relied on childcare from family that lived nearby, who are now displaced and live too far to care for the children. Even after applying for food stamps Veronica and her family have had to reduce their diet to make ends meet.
- Victorina lived with her partner and two daughters, the youngest born just days before Sandy hit. They lost everything in the storm, including all of the things they purchased for the arrival of the new baby. After bouncing around for months on friends and family’s couches they were able to return to the apartment they lived in before the storm. Only to find the landlord used part of the space in the apartment to build a laundry room that they did not have access to, and was demanding $100 more per month. To make the budget stretch Victorina had to cut back on fresh fruits and vegetables for her daughters.
- Lucina and her family lost nearly everything in the storm. Their rent increased by $300 a month and because of this increase they have depleted their entire savings and still have not been able to replace basic items like winter clothes or beds for her kids.
- Pricillia’s rent increased $250 after Sandy, now she and her family cannot even afford their basic bills, and have resorted to making late and sometimes incomplete payments in order to have enough money left over for food and rent. As a result they are now dealing with late fees that are making their situation even more difficult.
IMPACT OF HURRICANE SANDY ON NEW YORK CITY’S RENTERS

The majority of Sandy impacted households were renters. Moreover, the renters affected by Sandy were more economically vulnerable than their peers across the City or their homeowner counterparts in Sandy-affected areas. The majority of Sandy impacted renters are people of color. This section explores the question of how many renters were impacted by Hurricane Sandy and how many are in need of ongoing assistance.

The majority of Sandy-impacted households were renters

The majority of people affected by Hurricane Sandy were renters. 220,135 (66%) of occupied units in the flooded areas were renter occupied units, while only 115,192 (34%) were occupied by homeowners.¹¹ A review of FEMA registration data provided through August 28, 2013, also reveals that more than half of the households that registered for FEMA aid in New York City were renters-56% (85,307 households), while only 44% (67,459 households) were homeowners.¹²

FEMA registrations likely underestimate the number of renters affected by Sandy

While FEMA registrations provide the most complete and in-depth data currently available, this data likely underestimates the actual percentage of Sandy-impacted renters, due to certain structural barriers and FEMA’s eligibility requirements that exclude some groups of people.

An estimated 19,818 undocumented immigrants lived in Sandy-affected areas.

One group of renters likely to be undercounted by FEMA registrations is undocumented immigrants. According to the New York City Department of City Planning, Population Division there are an estimated 19,818 undocumented immigrants in the Sandy-affected zip codes.¹³ While many would be included in official FEMA data because they were able to register on behalf of their children who were born in the United States, others without eligible children cannot register for FEMA and therefore remain in the shadows of this data set. Even immigrants who do qualify for FEMA assistance often did not register due to fear or institutional barriers, such as language access, misinformation regarding eligibility requirements, and non-traditional living arrangements, such as multiple families living in a single residence, which lead FEMA to reject applications.

Gerarda and Angel have two young children (three and seven years old) and lost everything in the storm. Although their household would have been eligible for FEMA assistance, because their children are citizens, they did not register because they lacked accurate information in Spanish.
FEMA registrations also likely underrepresent the number of renters affected because renters are less likely than homeowners to register. The Fair Share Housing Coalition and the Furman Center compared neighboring block groups within census tracks in New Jersey and New York. Because the block groups are adjacent, the rates of FEMA damage assessments should be similar. However, they found that block groups with high concentrations of multi-unit buildings had lower damage assessment rates than block groups with high concentrations of single-family homes. Empirically renters were less likely than homeowners to register for FEMA. If these missing populations were aggregated with the FEMA registration data we would likely discover that the percentage of Sandy-impacted families in New York City who are renters is much higher than the 56% reflected in FEMA registrations.

Impacted renters were more economically vulnerable than their homeowner counterparts

Renters that were affected by Hurricane Sandy were more economically vulnerable than their homeowner counterparts. According to FEMA registrations as of April 15, 2013, the median household income for Sandy-affected renters in New York City was $18,000, while homeowners had a median household income of $82,000. Sandy-affected homeowners in New York City earn over four and a half times more than affected renters

Sandy-impacted renters lived in more economically vulnerable circumstances than renters in areas of the City not impacted directly

The concentration of poverty in Sandy-affected areas is illustrated by the striking difference between renters affected by the storm and renters who live in other parts of the City. Sandy-affected renters earn little more than half of what renters earn across the City: the median income for Sandy-affected renters is $18,000 compared to $38,500 for renters across the City. In addition, 65% of renters who registered for FEMA had household incomes below $30,000 compared to 42% across the City as a whole. This suggests that low-income renters were concentrated in Sandy-affected areas compared to the rest of the City.

Sandy-affected renters earn about half of what renters across the City earn

Sandy-impacted renters are more likely to be of color than their homeowner counterparts

Striking differences exist in the racial makeup of homeowners and renters affected by the storm. The graphs below depict data from FEMA registrations through February 15, 2013.
According to these registrations the majority (61%) of homeowners who registered for FEMA are white, while the majority of renters (54%) are people of color. Of the owner households who registered for FEMA 12% are Hispanic of any race, versus 29% of renter households that are Hispanic of any race. In terms of raw numbers, 45,484 minority households that registered for FEMA were renters, versus only 25,903 who were homeowners and only 7,970 Hispanic households who registered with FEMA are homeowners, compared to 24,426 Hispanic households who are renters. Consequently, problems faced by renters will disproportionally affect people of color and recovery programs that target homeowners are more likely to reach white households than minority households.

64% of minority households who registered for FEMA are renters
75% of Hispanic households who registered for FEMA are renters
RECOVERY RESOURCES AVAILABLE TO RENTERS

This section documents and analyzes the recovery resources that have been made available to renters affected by Hurricane Sandy.

Immediate aid accessible to all Sandy-affected New Yorkers

Everyone who was affected by Sandy, including renters and undocumented immigrants, were eligible to apply for certain forms of immediate relief, including temporary shelter and Disaster Supplemental Nutrition Assistance Program (DSNAP). 6,800 New Yorkers stayed in the City’s evacuation centers between October 28, 2012 and November 12, 2012. The City’s hotel program also provided temporary housing for over 3,132 people. While many families in the hotels were able to secure a permanent home, others found themselves in untenable living situations such as the City shelter system or doubled up with family and friends. Neither the City’s Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan nor the City’s After Action Report specifies how many hotel program participants found permanent housing.

Disaster Housing Assistance Program (DHAP)

The federal government implemented the Disaster Housing Assistance Program (DHAP) to provide rental assistance for homeowners and renters who were displaced by Hurricane Sandy. FEMA determined who was eligible and referred them directly to HUD to receive DHAP benefits. In New York City only 304 families were referred to this program, and as of November 20, 2013 just over 200 families had received the assistance. According to FEMA employees, the agency does not track the number of renters or homeowners assisted by this program, because the program does not make decisions based on housing status.

Temporary Disaster Assistance Program (TDAP)

Following other major disasters the federal government has instituted a more robust DHAP program. For instance after Hurricanes Katrina and Rita, HUD and FEMA agreed to provide DHAP for up to 45,000 households. However, after Sandy there was little federal support for renters, leaving the City to set up the Temporary Disaster Assistance Program (TDAP) with money allocated from CDBG-DR funds. Sandy-affected households who are accepted to the program will pay up to 30% of their income towards rent; the remainder will be paid directly to the landlord through TDAP. In order to qualify for the coupons, families and individuals must have been displaced by Sandy and must have a household income below 50% of Area Median Income (AMI).
Income (AMI). The Action Plan Amendment 5 further clarifies that they must either still be displaced, pay 40% of their income towards rent, or have a lease that expires within 4 months of applying for the program.\textsuperscript{26} $19 million of CDBG-DR funds was dedicated for TDAP, which ultimately will fund an estimated 600 vouchers. People still in the hotels system were prioritized to receive the coupons and as of the one year anniversary of Sandy approximately 100 families and individuals, almost exclusively from the hotels, had been awarded coupons.\textsuperscript{27}

Although the administrative plan for TDAP includes a privately funded component (TDAP-Private) that provides housing vouchers to undocumented immigrants, this program has not been funded or created as of the time of the writing of this report, and undocumented immigrants and mixed-status families affected by Sandy remain ineligible for existing rental assistance programs.

**Reconstruction of Rental Housing**

Through the Build it Back program the City dedicated $215,000,000 from the first tranche of CDBG-DR funding, and an additional $131,000,000 from the second tranche for the rehabilitation of multi-family homes. Through this program HPD expects to repair 11,000 units of rental housing.\textsuperscript{28} Currently it is unclear if and how the City will guarantee that Sandy-affected families and individuals move into these units. It is also unclear if and how the City will ensure that these units are rented at rates that are affordable to the people who lived in them before Hurricane Sandy hit.

**Other City strategies to provide housing supports to New Yorkers affected by Hurricane Sandy**

The City also used a number of existing tools to assist Sandy-affected individuals gain access to permanent housing. HPD partnered with a variety of government entities and organizations to identify affordable housing and to make those options available to New Yorkers displaced by the storm.\textsuperscript{29} The City also created the HPD portal in December 2012, which allowed Sandy-affected New Yorkers to register for affordable housing options throughout the City. By March 2013, 1,687 registrations were completed. We have been unable to find information detailing how many of these people were able to access affordable housing through this portal.\textsuperscript{30} Through the portal the City gave 400 NYCHA placements to Sandy victims,\textsuperscript{31} and 111 Sandy survivors were prioritized to receive Section 8 Vouchers.\textsuperscript{32}

**Resources dedicated to NYCHA**

The City has also dedicated $108 million for repairs and mitigation in NYCHA buildings. While this will not create new units of housing it is an important investment to ensure that damaged units come back online and new mitigation and adaptation measures can be put in place to increase the resilience of these buildings.
New York City Renters

Estimated number of renter households in the area flooded by Sandy

\[ \text{Number of Renter Households registered for FEMA} = 220,135 \]

\[ \text{Number of Low-income Renter Households registered for FEMA} = 55,449 \]

Number of Renter Households accessing rental assistance and affordable housing:

- 600 (TDAP)
- 304 (DHAP)
- 111 (Section 8 Vouchers)
- 400 (NYCHA Placements)
- 11,000 (units of rental housing to be repaired through Build it Back)

55,449

Low-income Renter Households registered for FEMA

12,415

Low-income Renter Households with access to rental assistance or affordable housing
City led outreach to renters and other vulnerable populations

The City has conducted extensive outreach to connect people to recovery resources. In particular, starting in January 2013 the Mayor’s Office of Immigrant Affairs partnered with organizations, such as Make the Road New York, in the affected areas to conduct outreach within immigrant communities affected by Hurricane Sandy. Through these partnerships the City reached over 6,800 families in order to conduct needs assessments and provide counseling and referrals to available recovery resources.

The City also conducted an outreach campaign to notify New Yorkers about the Build it Back program and the registration process. The City conducted outreach over the phone, through email and text messages, and door-to-door canvassing to individuals and families who were affected by the storm. The City also conducted a public awareness campaign that included advertisements in the press, including ethnic press, signs in the affected areas, and advertisements in the Staten Island Ferry.
LESSONS FROM HURRICANE KATRINA: LONG-TERM RECOVERY OF RENTAL-HOUSING IN THE GULF COAST

Hurricane Sandy was the second most expensive hurricane in U.S. history—only Hurricane Katrina cost more. Hurricane Katrina devastated the Gulf Coast in 2005, and the past eight years of rebuilding have shed light on the challenges to recovery and revealed many unintentional consequences of recovery plans, process, and policy. This section looks at lessons learned by the rebuilding of the Gulf Coast and what those lessons could mean for New York City in the wake of Sandy.

Before Hurricane Katrina New Orleans was a city of renters with high rent burden

Like New York City, New Orleans is a city of renters. In both cities about two-thirds of pre-storm households were renters and both cities struggle with a chronic affordable housing crisis. Over half of very low-income households in New Orleans and New York were paying more than 50% of their income towards housing costs before the hurricanes.

Rents rose dramatically in post-Katrina New Orleans

Post-Katrina, New Orleans became an even more difficult place to be a renter. The Brookings Institute found that rents rose 39% in the first year after the storm and then an additional 4% the following year. In real dollars, an apartment that rented for $676 before the storm cost an average of $978 per month two years after Katrina.

Rent increases in New Orleans prevented renters, low-income people and people of color from returning home

The higher rents in post-Katrina New Orleans had a dramatic effect on residents. People who were previously rent burdened often saw their burden grow and the total number of households who were rent burdened only increased. For example, before Katrina 43% of New Orleanians paid 35% of their income towards rent. By 2011, 8 years after the storm, 54% of renters in New Orleans were paying more that 35% of their income for housing, an increase of 11 percent.

The post-Katrina affordable housing crisis was exacerbated as many small landlords began to leave the market or charge higher rents because they could not afford repairs or the rapidly increasing insurance premiums. This placed an enormous strain on many low-income renters who had been able to find housing at reasonable rates from small-scale landlords who rented single family homes or small multi-families buildings.
In New Orleans, the effects on rental housing has hit low-income households, who are more likely to be renters, the hardest, which in turn has changed the face of the city. Lower income households have been less likely to return than higher income households. The Monthly Labor Review also found that black residents were significantly less likely to return to the affected areas than other populations.

Increases in rents and rent burden, landlords leaving the market, and poor and minority populations becoming permanently displaced all suggests that disaster response as it is currently operates does not function well for renters—and by extension low-income people and people of color. We must examine how New York City’s own disaster recovery polices could unintentionally leave renters behind.
STATE OF RENTERS AND RENTAL HOUSING POST SANDY: SUMMARY OF MAKE THE ROAD NEW YORK SURVEY OF RENTERS

Within weeks of Hurricane Sandy renters who were displaced from the storm began reporting increased rents and a tighter housing market, which made it difficult for them to find new housing. Over the following months Make the Road New York began hearing more and more stories of the toll the post-Sandy rental market was taking on families. Across the board, families had to stretch already tight budgets further, work increased hours, and squeeze more people into cramped spaces in an attempt to lower the rent burden. By spring 2013, Sandy-affected renters consistently listed increased rent as their most pressing priority.

In response to these anecdotal reports, Make the Road New York launched a survey to document changes in rent and the overall housing situation for renters affected by the storm reaching 450 renters affected by Hurricane Sandy in Staten Island. The survey documented housing conditions before and after the storm, including the amount of rent people were paying, the number of people living in the home, type of housing (room, apartment or house), and the number of bedrooms in the home. We also gathered data about health, income, and immigration status.

The majority of survey participants are low-income, and unlikely to have registered for Build it Back

Overall participants reported a median annual income of $19,760, which is close to the median income reported by renters who registered for FEMA ($18,000). Of participants who reported their immigration status the majority, or 64% were citizens or permanent residents and 35% were undocumented. At the time of the survey nearly 40% of renters reported they had not received any assistance post-Sandy, and 65% of participants had not registered for Build it Back program, the City’s Sandy recovery program.

Survey participants reported a median annual income of $19,760.

Many renters affected by Sandy were unable to return to their homes or neighborhoods

Many renters affected by the storm have not been able to return to their homes or neighborhoods. 40% of the people interviewed had not returned to the address they were living in when Sandy struck. Participants self-reported living in 45 different neighborhoods, the most commonly reported pre-Sandy addresses of survey participants were Midland Beach (171 participants) and New Dorp Beach (99 participants). After the storm these same renters became more dispersed.
40% of the people interviewed had not returned to the address they were living in when Sandy struck.

Flor has lived in Staten Island with her brothers and sisters for 17 years. Prior to the storm she cleaned houses to support her children and to pay the family’s $1,100 monthly rent. However, Sandy destroyed her house, as well as the houses of her employers, leaving her without work or home. They managed to find a new place, which costs $1,600 a month—a steep $500 a month increase. She now lives with her siblings and children squeezing eight people into a small three bedroom house. So far Flor has also not been able to completely replace her work and is only working 3 days a week. Because of financial constraints and the lack of housing options in Midland Beach, Flor and her family are now living far from their pre-storm community, her daughter is disconnected from her friends, and Flor feels their new neighborhood in unsafe and lives in fear.

**Median rent has increased $200 a month since Hurricane Sandy**

The most striking finding of this survey is the changes in rent before and after the storm. Before the storm the median rent of survey participants was $1,000, and after the storm the median rent is $1,200, meaning the median rent has increased by $200 a month, representing an additional rent burden of $2,400 a year. This increase in rent represents a full 12% of the median income of survey participants.

The median rent in the affected areas has increased 20% in Sandy-affected areas. By comparison between 2010 and 2011, rents across the City increased 4%.

**Juana Luna lived in South Beach in Staten Island, in a first floor apartment that was completely destroyed by the storm. After the storm their rent doubled from $600 to $1,200 each month. Because of this increased rent the family can barely survive now. Their situation is especially dire, because their daughter has an autoimmune disease creating medical expenses that are harder and harder to meet.**

**Families are using unsustainable solutions to diffuse the rent burden**

To account for multiple families living in one home, we not only asked participants the cost of their entire unit, we also asked them how much they and their immediate family were responsible for paying. Before the storm the median rent that each family was responsible for was $900, which increased to $1000 after the storm, an increase of $100, compared to a median increase of $200 for entire units.
more research is necessary to understand this difference, anecdotal evidence from interviews and focus groups suggest that more families are sharing a space with others in order to help lower the burden on each individual family.

Before the storm Joaquina was living with her two sons in Midland Beach, but Sandy completely destroyed their home. For a few months after the storm they lived in a basement near Port Richmond, however this was far from her son’s school. He has a medical condition that affects his back, and the long bus rides were having negative effects on his health. So the family returned to Midland Beach, and the only place they could find cost $500 more per month than they were paying before the storm. The only way Joaquina has been able to make ends meet was to move into the living room and rent out her own bedroom. The overcrowding and lack of privacy is beginning to take its toll on the entire household.

In addition to increased rents, there are other important changes in housing conditions faced by Sandy-affected renters. Before the storm 60% of people reported living in a house, and after the storm this number decreased to 54%. Meanwhile the percentage of people living in an apartment increased from 33% to 41%. The number of people who reported renting a room remained consistent at around 6% both before and after the storm.

Guillermina and her family lived on Father Capodanno Boulevard in South Beach. Their home was completely destroyed by the storm, leaving behind an empty lot. Guillermina and her family found a new apartment, but it costs $200 more each month than what they paid before and for much less space.

Xiomara and 5 year old son rented a house in Midland Beach that was completely destroyed by the storm, and Xiomara’s work was reduced from six days a week to only two. They doubled up with family members until they found a place to rent. However, due to the increased rent and decreased income she can only afford a single room for her and her son.

Some Sandy-affected families were unable to access TDAP because of lack of language access

Through the focus groups and interviews that we have conducted as part of this survey, we have gathered reports that point to access issues for recovery programs. A number of Spanish speakers reported to us that the communications, both written and verbal that they have received from HPD were provided only in English. Even when they requested translation none was provided. The lack of information provided in language other than English is preventing some Sandy-affected renters from accessing much needed assistance.

A second language access issue prevented some Spanish speakers from even registering for Build it Back. In our focus groups, many people reported that they had
not registered for Build it Back because they or another family member had been told that renters were ineligible. When we tried to help some of these individuals register for Build it Back through the 311 hotline we found that there were inconsistencies with the 311 hotline that prevented some Spanish speakers from getting connected to the Build it Back program. We found that when Spanish-speaking renters called 311 they were not consistently and automatically referred to the Build it Back program. Instead they were sometimes told that there was no program for renters or referred to either charitable organizations or food stamp offices.

Maria Raquel called 311 three times to try to register for rental assistance through the Build it Back program. Each time she was turned away. Make the Road staff shadowed her fourth call in order to understand the breakdown in communication. MRNY staff discovered that she was being referred to Catholic Charities for food stamps. This was due in part to the fact that the Spanish word for food stamps and for housing vouchers is the same (“cupones”).

Before Sandy, Iztac lived in Midland beach where she shared a room with a friend. The house was completely destroyed, and Iztac spent 9 days helping to muck out the house without any protective equipment. She developed a severe respiratory infection that landed her in the hospital. Her doctor advised her against returning to the contaminated home. Unable to afford a place in Midland Beach Iztac moved to St. George where she rents a corner of a hallway separated by a shower curtain for privacy. Her work in more precarious now than before the storm, and sometimes she is only able to work 2 days a week cleaning houses and caring for elderly and people with disabilities.

Iztac applied for rental assistance via the NYC Build it Back program, but received communications only in English. When she called to follow-up there were no translation services available and she was only able to communicate with the help of MRNY staff.

Other barriers are preventing immigrants and low-income renters from accessing TDAP assistance

In addition to language access issues there were a number of other structural barriers that excluded some renters from accessing TDAP. Indeed, at the time of the survey 65% of survey participants had not registered for Build it Back, which is the means through which people gain access to TDAP.
Before and after the deadline to register for Build it Back, Make the Road New York conducted outreach to vulnerable populations to encourage them to register. Many people we talked to, particularly renters and low-income homeowners had not registered for a variety of reasons for example Marisol Cruz is a renter living in Staten Island, she had not signed up for the Build it Back, because she had heard it was only for homeowners and thought she would not qualify.

For those who did apply to Build it Back, completing the application for renters is an onerous process, particularly when compared to homeowners or landlords. Build it Back has offices in the affected areas where homeowners and landlords can bring documents necessary to complete their application and attend meetings with Build it Back staff. Renters, however, are not able to use these convenient locations to pursue their TDAP applications. Instead renters must travel to the Housing Preservation and Development (HPD) office in Manhattan in order to complete their application or provide supporting materials. This additional time and travel burden places increased stress on households already stretched for cash and time.

Felipa is an undocumented immigrant who rented a small shared room in Midland Beach. Since Sandy she has been bouncing between friends, doubling up with others, and otherwise living in precarious situations. In December she received a call from Build it Back asking her to come to HPD in Manhattan to deliver documents necessary to complete her application. Felipa traveled for two hours to bring the requested documents. When she arrived, the TDAP representative told Felipa that the documents she brought would not suffice. The TDAP representative told Felipa to return in person with the additional required documents. The TDAP representative told Felipa that she could not mail the documents or send another person to deliver them. Felipa has already traveled a total of eight hours to complete her TDAP application.

Survey by New York Communities for Change also finds increases in rent

New York Communities for Change (NYCC) conducted a parallel study of renters in affected areas of Queens and Brooklyn. In total, NYCC interviewed 109 Sandy-affected renters. Its findings indicate that post Sandy rent increases are not isolated to Staten Island, but are widespread throughout the affected areas. Within NYCC’s sample, median rents increased from $1,041 before the storm to $1,100 after the storm. Anecdotal evidence from other organizations also shows that rents are increasing dramatically in other Sandy-affected areas.
SANDY REBUILDING FUNDS, THE FAIR HOUSING ACT AND HUD GUIDELINES

As a CDBG-DR grantee, the City is required to administer the Build it Back program in accordance with the Fair Housing Act (FHA) and HUD guidelines. HUD awarded the City of New York an initial $1.73 billion in federal funds under the CDBG-DR program for recovery and rebuilding after Hurricane Sandy. HUD will allocate an additional $1.34 billion in the coming months. **The City must administer the Build it Back Program in compliance with the Fair Housing Act and HUD guidelines.**

The FHA requires the City, as the recipient of federal funds for housing programs to comply with the FHA. The FHA prohibits discrimination in housing-related activities on the basis of race, color, religion, sex, disability, familial status, or national origin. This nondiscrimination mandate prohibits practices that have a discriminatory impact, regardless of intent. The FHA further requires CDBG-DR grantees to use the funds to “affirmatively further fair housing.” Each CDBG-DR grantee must do this by certifying that it will “conduct an analysis to identify impediments to fair housing choice within the State, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions [taken].” Courts have held that the obligation to affirmatively further fair housing is more than a restatement of the Act’s antidiscrimination policy. It imposes an obligation on CDBG-DR grantees to use the federal grant program to “assist in ending discrimination” and increase the supply of “integrated,” “open” housing. What this means for the City of New York is that it must administer the Build it Back program and allocate CDBG-DR funds in a manner that affirmatively furthers fair housing and does not have a discriminatory impact on protected minorities.

The City of New York could violate the FHA and HUD guidelines if it does not allocate sufficient funds to low-income renter recovery

If the City allocates a disproportionate portion of the recovery funds to homeowners at the expense of renters, it could find itself in violation of the FHA’s AFFR requirement. In New York City, the majority of the households affected by Sandy are renters (56%), and the majority of those renters (64%) are low-income (earning a household income of less than $30,000). Further, 64% of these renter registrants are ethnic minorities. By contrast, only 30% of homeowner registrants are low-income, and 60% are white. Thus, in order to affirmatively further fair housing, the City would need to devote substantial resources to the low-income renters’ population affected by Sandy.

Of the $1.74 billion that HUD has already distributed to the City, $648 million is devoted to “housing,” of which $521 million, or 80%, is allocated to homeowners.
The remaining funds have been allocated as follows: $108 million to “public housing rehabilitation and resilience” and $19 million in a rental voucher program for low-income renters affected by Sandy. We do note that the City has dedicated $215,000,000 for the rehabilitation of multi-family buildings. This is an important step in repairing rental housing lost in the storm. However, the City has not put in place mechanisms to ensure that the repaired units are rented at affordable rates, or to families that were affected by the storm.\textsuperscript{51}

It is not clear how much, if any, of the funding will be allocated for the creation of new affordable housing units. If the City does not allocate sufficient funds for the creation of new affordable housing units, the City could be in danger of implementing a program that has a discriminatory impact on low-income minorities.

The City cannot affirmatively further fair housing without conducting an adequate needs assessment of low-income and minority concentrations.

HUD’s own regulations require the City, in its initial action plan, and continually thereafter, to conduct a “needs assessment” of low-income individuals and families and prevent them from becoming homeless.\textsuperscript{52} HUD further requires the City to “assess how planning decisions may affect racial, ethnic, and low-income concentrations, and ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate, and in response to disaster related impacts.”\textsuperscript{53} The failure of the City to conduct such an assessment would be evidence of the City’s failure to affirmatively further fair housing.\textsuperscript{54}

At this point, it is unclear whether the City’s needs assessment is sufficient or ongoing. The City did gather initial data from FEMA registrations, the census, and other sources to create an initial assessment of the different populations affected by Sandy. In the CDBG-DR Action plan, the City reports the number of individuals in each borough who were affected by the storm, as well as demographic information such as age, race, disability, and income level. The City also reports the percentage of owner occupied versus renter occupied units. However, it is unclear whether this needs assessment is ongoing. Furthermore, it is unclear whether the City has kept track of the impact of its planning and funding decisions on low-income and minority concentrations across the City. As rents in Sandy-impacted areas have increased, and the City has allocated limited CDBG-DR funds for low-income rental assistance, it is possible that low-income and minority populations are being displaced to high-poverty, minority areas. This could result in a violation of HUD Guidelines and the Fair Housing Act.\textsuperscript{55}
INCLUDING RENTERS IN SANDY RECOVERY BENEFITS THE ENTIRE COMMUNITY

Including renters in Sandy recovery helps the entire community recover

Ensuring that renters can return to and remain in Sandy-affected areas is critical for the local economies. First, renters help support small and local landlords who depend on rental income to pay their mortgages and other expenses. Renters also spend more of their income locally than homeowners. By helping renters remain in their communities, the City would also be providing critical support to local business owners, who rely on the renters to support their businesses.

The Sandy-affected community benefits from the inclusion of immigrants in the recovery

New York City has the largest immigrant population of any other city in the United States. Immigrants, including undocumented immigrants, play a critical and steadily increasing role in New York City’s economy. In 2011, immigrants contributed $210 billion to New York City’s economy, representing 31% of the gross city product. Further, immigrants have played a key role in business growth and vitality. Between 2000 and 2011, the neighborhoods with the highest concentrations of immigrants saw business growth of 23%, compared to only 7% in the rest of the City.

However, immigrants, undocumented immigrants in particular, face especially high hurdles in the recovery. It is in the interest of the City and the affected neighborhoods to ensure that immigrant families have access to recovery resources that allow them to remain in or return to their neighborhoods. Local businesses and the economic infrastructure as a whole will be more robust as a result.

Families using housing vouchers do not increase crime

Many communities resist allowing families to use housing vouchers in their neighborhoods out of a fear that the presence of these families will increase crime rates. However, as research by the Furman Center shows, there is no correlation between increased housing voucher usage and crime rates. This is true regardless of the type of crime or the median income of the neighborhood. Some residents in Sandy-affected areas have expressed fear of an influx of families receiving housing supports. As the Furman Center Study demonstrates, however, it is unlikely that an influx of these families will cause higher crime rates.
POLICY RECOMMENDATIONS TO ENSURE THE RECOVERY OF RENTERS AND RENTAL HOUSING IN SANDY-AFFECTED NEW YORK CITY

Renters affected by Sandy are at risk of permanent displacement, unaffordable rental rates, overcrowding, and unsafe and unsanitary living conditions as a result of the storm. There are a number of steps that the City can take to address both the short and long term needs of renters affected by Hurricane Sandy, and to ensure that the City is in compliance with the FHA and HUD requirements governing recovery funds. Below we offer our programmatic and policy recommendations to address these needs.

SHORT TERM SOLUTIONS:

Sandy-affected renters need immediate assistance to ensure that the problems created by Sandy do not become permanent.

Expand the TDAP program

HUD regulations require that City conduct an assessment of the needs of low-income families in its initial action plan and to continue assessing their needs to prevent them from becoming homeless. HUD also requires that the City “assess how planning decisions may affect racial, ethnic, and low-income concentrations, and ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate, and in response to disaster related impacts.”

The City provided data in the CDBG-DR Action Plan regarding the effects of Sandy on certain populations. However, there is a disconnect between this data and the actual recovery plan the City created. For example, the Action Plan’s assessment states that 220,135 renters lived in the inundated area. The Action plan also states, as a basis for the TDAP program:

Low-income households disproportionately are in need of immediate relocation assistance; the housing team is working with approximately 1,300 displaced families who are at or below 50% of Area Median Income. To the extent possible these households will be placed in NYCHA public housing units or provided HPD Section 8 vouchers, but the City anticipates that approximately 600 households will not be served by these options. These families would typically access Disaster Housing Assistance Program (DHAP) vouchers, but the program is a limited, state-run program. Through the Temporary Disaster Assistance Program HPD will deliver assistance with the goal of preventing homelessness among this population.
Based on this assessment, which only included renters with whom the City had already had contact, the City determined that only 600 families were in need of housing vouchers. We believe this flawed methodology resulted in a major underestimation of actual need and, as a result, too few resources dedicated to rental assistance. Further, this needs assessment does not include people who need rental assistance because of rent increases which is having a crippling effect on individuals and families.

A more accurate estimation of the need for rental assistance would begin with the number of low-income renters who were affected by Sandy. At least 55,449 New York City households affected by Sandy qualify as low income. In order to reach a more accurate estimate for the number of renters who need housing vouchers, we used the results of our survey. According to the data we gathered in our survey, 36% of Sandy-affected renters are experiencing a rent increase as a result of Sandy. This represents a conservative estimation of the number of people who need rental assistance because it excludes people who remain displaced and wish to return, but cannot afford the rent increases in the affected areas, people who are not paying rent because they are homeless, and people who are paying less rent only because they are living in an unsustainable and over-crowded space. If this number is extrapolated to the number of low-income renters who registered for FEMA, there are an estimated 19,961 people in New York City who need and would qualify for rental vouchers - 216 times the number of vouchers for which the City has allocated funding.

Based on this assessment, the $19 million allocated to the TDAP program will not come close to meeting the actual needs faced by renters who are more likely to be low-income and members of a protected minority group. As we discussed earlier this means the City is potentially in violation of the FHA and HUD regulations. The City should dedicate significantly more funding to the TDAP program by amending the current CDBG-DR Action Plan, to expand the voucher program.

Include Undocumented Immigrants in Rental Assistance

In the administrative plan for the TDAP program, the City also describes a part of the program called TDAP Private. Since this program would be privately funded, it would not be subject to federal restrictions. The purpose of TDAP Private is to provide rental assistance for undocumented immigrants affected by Hurricane Sandy. This would be a ground breaking step in immigrant inclusion, however, over a year after the storm, this program is not up and running, leaving many people with no support.

We encourage the City to continue pursuing private sources of funding for TDAP private. The City should also work with community organizations to assist in securing this desperately needed funding. At the same time, the City and HUD should use their discretion to interpret the Personal Responsibility and Work Opportunity

1 To qualify for TDAP, renters must have a household income below 50% of the Area Median Income (AMI). 50% of the AMI for a family of four is $42,950. It is $30,100 for a single adult. We came up with a conservative estimate of the number of renters with income below 50% of the AMI by only counting households with an annual income below $30,000. This is a conservative estimate because it excludes families that earn over $30,000 a year but whose incomes are still below 50% of the AMI due to their family size. Our estimate also excludes undocumented immigrants and other households that did not register for FEMA.
Reconciliation Act (PRWORA) to include undocumented immigrants affected by Sandy in rental assistance. Leveraged with private funding this would create a precedent setting program for immigrant inclusion in disasters across the country.

Because TDAP is funded by CDBG-DR money the vouchers constitute “federal public benefits,” as defined by PRWORA. PRWORA limits eligibility for federal public benefits to “qualified aliens.” PRWORA defines “qualified aliens” as (1) lawful permanent residents; (2) refugees, asylees, persons granted withholding of deportation/removal, conditional entry, or paroled into the U.S. for at least one year; (3) Cuban/Haitian entrants; and (4) certain battered immigrant spouses and children. Importantly, however, PRWORA exempts certain federal public benefits from these immigration restrictions. In particular, “unqualified aliens” are indeed eligible for “short-term, non-cash, in kind emergency disaster relief.” PRWORA has an identical exception for federal means-tested public benefits.

The federal public benefits provided through New York City’s TDAP program do fall within the disaster relief exception to the “unqualified aliens” restrictions. First, the vouchers provide short-term rental assistance. PRWORA does not define “short-term.” However, the City describes the “emergency rental assistance” as “short-term” in its Action Plan. This interpretation is consistent with HUD’s view of short-term housing. In the context of another PRWORA exception to the restrictions on immigrant access to federal public benefits, HUD took the position that transitional housing, lasting up to 24 months, is “by nature short-term and intended to be a step from emergency shelter to permanent housing.”

Second, the rental vouchers are non-cash, in-kind benefits, as they will be paid directly to the landlords (that is, no cash is received by the relief recipient, but rather relief recipients receive in-kind use and occupancy of the rental premises). Finally, there is no question that the “emergency” rental assistance program is in fact emergency disaster relief in that it is emergency assistance being provided as part of the City’s disaster relief response. Thus, the emergency rental assistance program falls squarely within the PRWORA disaster relief exception.

It would be tragic to let the opportunity pass to create a precedent for the use of federal disaster funds to benefit families regardless of immigration status. The above argument gives a clear path for the use of federal dollars without needing to advocate for a change in federal policy or law. Given the prominence of New York City on the national scene, it is highly likely that leaders of the next disaster relief effort in the United States will be following closely what unfolds here in New York City. However, in those locations it is highly likely that there will be less political will and political ability to support the undocumented residents in that community. We therefore urge HUD to work with the City to take this opportunity to utilize federal funding in support of families recovering after natural disasters, regardless of immigration status.
**Improve access to TDAP for low-income and ethnic minority populations**

Federal regulations mandated by the FHA and HUD regulations require the City to outline how planning and decisions regarding the administration of CDBG-DR funds may affect racial and ethnic minorities as well as low-income populations. There are indications that current policies regarding the administration of the TDAP program discriminates against these groups.

Many people with limited English proficiency have had difficulty communicating with Build it Back staff and HPD staff who are administering the TDAP program. Communication, both verbal and written, is almost invariably in English and even when translation is requested it is not consistently provided. The lack of consistent language access discriminates against non-English speakers. The City should act to comply with Executive Order 120 and translate materials and ensure that translation is available for non-English speakers.

Build it Back has offices in the affected areas where homeowners and landlords can bring documents necessary to compete their application and attend meetings with Build it Back staff. However, renters who wish to participate in the TDAP program, which falls under the Build it Back umbrella are not able to use these convenient locations. Instead renters must travel to the Housing Preservation and Development (HPD) office in Manhattan in order to complete their application or provide supporting materials. The City should act quickly to relieve this burden on renters and give them the same opportunity to use the local offices as homeowners.

**Re-open and publicly promote the Build it Back Registration**

In order to be considered for the recovery assistance through the Build it Back program; people first had to register through 311, either online or on the phone. The City reported that over 26,000 registrations were received by the time the registration period ended on October 31, 2013. However there are many individuals and families who did not register before this deadline, but would likely qualify for assistance. The result is many Sandy-affected individuals and families will be left out of the last available source of aid.

It is important to note that while the City does not have enough resources to meet the needs of the people currently registered for the program, the City has committed to prioritizing the needs of low-income people. Re-opening the registration does not mean that these people will go to the back of the line and have no hope for assistance; instead it means that they will be served in order of priority.

Given the demonstrated lack of awareness about the program and the risk of excluding low-income and people of color from sources of aid the City should work quickly to reopen the Build it Back registration. The City should also engage in deep outreach to ensure that particularly vulnerable populations know about the program.
and have real opportunities to register. We recommend that the City partner with community organizations to conduct on-the-ground, individualized and culturally and linguistically appropriate outreach. This outreach could be modeled on outreach conducted through partnerships between the Mayor’s Office of Immigrant Affairs and community based organizations. The partnerships leveraged relationships and trust that community organizations already had with vulnerable populations. Outreach workers using community organizing techniques reached over 6,800 immigrant families to conduct needs assessments, provide accurate information and make referrals to recovery assistance, including over 1,200 referrals to FEMA.  

Create a liaison program to connect TDAP recipients with available affordable rental housing

Renters who receive TDAP vouchers face difficulty finding housing in their neighborhood, which increases the likelihood that they will be permanently displaced. This in turn puts the City at risk of non-compliance with federal regulations requiring that low-income and minority populations not be displaced to areas of higher concentrations of poverty.

The City has taken some steps to lower these barriers by partnering with the network of HPD landlords to quickly find housing for Sandy victims. However, there are no HPD apartments in Queens or Staten Island, two of the areas hardest hit by the storm. We recommend that the City contract with housing specialists who can serve as liaisons to landlords, real-estate agencies and brokers to assist people in locating safe and affordable housing in their neighborhood. This program would play a matchmaking role between landlords and tenants, and would also provide supports to landlords to fill out the paperwork required for the vouchers. Additionally the liaisons would provide oversight to help stem discrimination against people who are using the vouchers.

In addition to the matchmaker program, the City should also conduct proactive outreach to landlords, especially in the affected areas, to inform them of the program and assist them in completing some of the requirements for participating in the program. The City should maintain a public database of landlords who have completed preliminary steps and are able to accept vouchers.

These steps would give Sandy impacted renters a meaningful opportunity to remain in or return to their neighborhoods, and would help the City meet the federal requirements to meet the particular needs of low-income people and people of color.

LONG-TERM RECOMMENDATIONS

If the above solutions are quickly implemented they will offer immediate relief to renters struggling to recover. However these short-term solutions must be combined with long-term planning to ensure that there is affordable housing in
place to prevent the displacement of low-income and minority renters. Building and promoting the availability of affordable housing is also part of the mandate by FHA and HUD requirements for the use of CDBG-DR funding. The recommendations below provide concrete options for the City to meet this requirement.

**Use properties from the acquisition program to build affordable housing**

Some homeowners who participate in the Build it Back program will have the option to sell their home to the City as part of the acquisition program. This will result in potentially large amounts of land coming into the City’s possession. The City should commit now to dedicating this land to the development of affordable housing, including deeply affordable rental housing.

**Ensure that units rebuilt with public funds remain affordable**

Anecdotal evidence from interviews and focus groups indicate that landlords who were able to make repairs to their rental units are now passing those costs along to renters in the form of higher rents. Affordability requirements are necessary to ensure that landlords do not use public funds to rebuild and then reap personal benefit by charging higher rents and to ensure that low-income renters are able to benefit from the rebuilding funds. The City could institute requirements modeled after Louisiana’s The Road Home Program. This program, which helped homeowners and landlords rebuild after Katrina, gave landlords no-interest, forgivable loans to rebuild under the condition that they rented the units at affordable rates for ten years. If the landlord meets the affordability requirements through the ten years, then the loan is forgiven.73 Such a policy in New York City would help ensure that low-income renters, and not only landlords are able to benefit from housing investments post-Sandy.

**Prevent real-estate speculation in Sandy-affected areas**

The possibility of large numbers of rental units being bought and redeveloped by investors is deeply concerning. The Huffington Post reported in March of 2013 that homes in the affected areas were being sold at much higher rates than normal, and that the buyers were paying cash. Which according to real-estate agent Lee Venezia means that the homes are being sold to investors, rather than owners-occupants. Venezia also believes that the homes will likely be torn down and redeveloped.74 The likelihood of real-estate speculation is high, and could result in the development of expensive luxury housing that will further compound the affordable housing crisis by reducing the stock of low- and middle-income housing and by driving up the rent of existing housing.

Given the risk of real-estate speculation the City should institute policies, such as those above that will assist existing landlords to rebuild, so that they are not forced to sell of their properties. Inevitably even with such measures in place some landlords
and owners will wish to sell their properties. The City should implement measures to ensure that the sale of these properties supports the development of affordable housing, rather than luxury housing that will further exacerbate the affordable housing crisis. The City should encourage the sale of those units to non-profit affordable housing developers, rather than to for-profit developers. For example, the City could offer grants and low-interest loans to non-profit affordable housing developers to buy properties in Sandy-affected areas and restore or redevelop these properties to be rented at affordable rates.

On a walk through Midland Beach in October 2013, Maria Raquel pointed to a cluster of houses that were completely boarded up. She said “renters used to live in those homes and would pay $600-$800 a month for a one-room house.” Since the storm the owners have not made repairs, and some are now trying to sell the properties.

Leverage Low-Income Housing Tax Credits to create and rebuild affordable housing

The low-Income Housing Tax Credit (LIHTC) Program can potentially be utilized to build affordable housing that would accommodate a range of income levels. Louisiana received a special allocation of LIHTC after Hurricanes Katrina and Rita with the intent of combining these with CDBG-DR funding to create and rebuild affordable housing.75 New York City should press the Federal government to create a special allocation of LIHTC specifically designated to encourage the development of affordable housing for Sandy-affected renters in the affected areas and beyond.

Work with HUD to Develop New Models for Affordable Housing

The need, as well as the challenges of affordable housing in Sandy-affected areas has been recognized by federal agencies. The Federal Sandy Taskforce was convened in December 2012 by President Obama with the mission of planning for the long-term rebuilding of Sandy-affected areas.76 The final report released by the taskforce in August 2013, lays out a series of recommendations including recommendation number 30, “HUD should explore ways to assist State and local governments to develop model affordable housing programs that leverage funding from the public, private and philanthropic sectors for affordable housing development and preservation in Sandy-affected areas as well as in other regions that could be potentially affected by future disasters.”77

This is an excellent recommendation that recognizes the need for affordable housing and the inability of current models to meet the existing need. Yet, without localities holding HUD accountable and actively shaping the plans, new models will likely not come to fruition. The City should aggressively pursue this recommendation, and work closely with HUD along with community based organizations and Sandy-affected community members to ensure that affordable housing is being built to meet the needs of the affected neighborhoods.
Legalize accessory dwellings and make them safe

Another potential tool for ensuring the long-term affordability of Sandy-affected neighborhoods, as well as neighborhoods throughout the City is through accessory dwelling units, which are housing units sharing a lot with another home. Chhaya CDC and other groups have advocated for years for changes to zoning and supports for homeowners to create and legitimize accessory dwellings units. Such units not only expand affordable housing options, but can generate income for homeowners which helps encourage and maintain homeownership. Accessory dwelling units have long existed in New York City and are one of the last sources of affordable housing for residents. Because many are technically illegal, tenants are at risk of being evicted by the City and units are constantly leaving the market as the City enforces the law. However, the City could bring these units into the legitimate housing market and indeed encourage more such units to be built, thus increasing the supply of safe, affordable housing. There is a range of options to legalize accessory units, such as filing architectural plans with the Department of Buildings, implementing changes to zoning maps to make accessory units viable and providing grants and low-interest loans to fund structural alterations to bring units up to code.

In Sandy-affected areas existing accessory units should be legitimized, and the City should encourage the rehabilitation of such units through the Build it Back program and other low-interest loans and grants. During the rebuilding process the City also has an opportunity to go a step further and encourage homeowners to add accessory dwelling units, even if one did not exist previously. Homeowners who are offered and accept a full rebuild should be given the option to add an accessory unit, which would be rented at an affordable rate.
CONCLUSION

The goal of recovery plans and programs should be to help communities rebuild quickly and in a way that affirmatively reduces inequalities. At a minimum, Sandy recovery and rebuilding efforts should certainly avoid exacerbating inequalities that pre-dated Sandy. Effective plans should include all members of the community and address underlying problems that lead to vulnerabilities magnified by the storm. This includes addressing the ways that social and economic inequalities contribute to risk and vulnerability, as well as working on physical and environmental mitigations. Disaster recovery policy should reflect an analysis of highest needs and the distribution of resources should focus on reducing both collective and individual risk. Recovery plans should not focus only on restoring the status quo that existed before the storm, because such approaches merely recreate and cement inequalities that made certain populations so vulnerable to begin with.

Based on the findings outlined in this report, the recovery to date has not meet these goals and is potentially at risk of violating the FHA and HUD regulations governing CDBG-DR funding, because the City’s assessments and plans to date do not go far enough to ensure that low-income people and people of color, who are more likely to be renters are able to access recovery resources tailored to their needs.

However, the City does have an opportunity now, through amendments to the CDBG-DR action plans, new tranches of CDBG-DR funding, additional sources of public and private funding and structural and programmatic changes to address these needs and seize a once in a lifetime opportunity to not only bring New York into full recovery, but address pre-existing inequalities in keeping with FHA and HUD requirements that recovery funds “affirmatively promote fair housing” and access to affordable housing.
14. Data provided by New York City Department of City Planning in Mayor’s Office of Immigrant Affairs Immigrant outreach training
18. Pifer, Allison, Elaine Ortiz, Ben Horwitz, George Hober, "New Orleans Index at 8." Greater New Orleans Community Data Center August 2013. (38)
27. 24 C.F.R § 9.3(3)(a)(i)
30. The City of New York. "New York City CDBG-DR Action Plan Amendment 5" (60)
31. HPD and HRQ Build It Back Update Call. October 24, 2013.
32. Meeting with HPD, February 18, 2014
33. The City of New York. "New York City CDBG-DR Action Plan" (41-42)
34. The City of New York. "New York City CDBG-DR Action Plan" (41-42)
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PRWORA defines "Federal Public Benefit" as (A) any grant, contract loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and (B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.” Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), 8 U.S.C. § 1611

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