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## **Testimony of United Neighborhood Houses**

### **To the Subcommittee on Public Housing**

**Honorable Rosie Mendez, Chair**

### **Hearing on Oversight of NYCHA's Payments to the City**

**June 18, 2008**

Good morning. I am grateful for the opportunity to testify at this hearing on this important issue. My name is Gregory Brender and I serve as a Policy Analyst for United Neighborhood Houses on whose behalf I am speaking today. UNH has also joined with UJA Federation of New York, Federation of Protestant Welfare Agencies, Council of Senior Centers and Services and Human Service Council in submitting written testimony for the record that echoes the concerns in this testimony. UNH, founded in 1919, is the membership organization of New York City settlement houses and community centers. Rooted in the history and values of the settlement house movement, UNH promotes and strengthens the neighborhood-based, multi-service approach to improving the lives of New Yorkers in need and the communities in which they live. UNH's membership comprises one of the largest human service systems in New York City, with 35 agencies working at more than 400 sites to provide high quality services and activities to a half million New Yorkers each year. UNH supports its members through policy development, advocacy and capacity-building activities. Services provided by our members include: early childhood education, after-school programs, teen centers, English for Speakers of Other Languages (ESOL) classes, immigration legal services, GED classes, job training, tutoring, recreation, meals and supportive services for the elderly, mental health counseling, drug prevention, and art, music and drama programs. Over half of UNH's member agencies operate programs in NYCHA facilities. Through these partnerships with NYCHA, UNH members have been able to effectively meet the needs of New York City public housing residents and their neighbors.

New York City must support and sustain quality housing and services for low-income New Yorkers. The New York City Housing Authority remains the City's primary provider of affordable low-income housing serving over 180,000 families, 500,000 residents in 340 developments across the city. Moreover, NYCHA has demonstrated that it is committed to providing low-income New Yorkers with safe, quality communities and not solely a roof over their heads. Working with the City and with non-profits, including many of UNH's member agencies, NYCHA has strived to ensure that human services are readily available to their tenants. Early childhood education programs, operated in space provided for free or for sub-market rates, have nurtured and educated young children during their crucial early years and given their parents' the opportunity to work and

pursue education. After school programs have given young New Yorkers a positive and healthy environment. Senior centers run by nonprofits and by NYCHA itself, have ensured that older New Yorkers have a place to socialize and participate in activities. We must not lose these and other programs which serve the vulnerable population that lives in public housing.

NYCHA is to be commended for its commitment to sustaining quality housing as well as human services particularly in light of the financial challenges that it has faced. NYCHA has already learned to do more with less. Even as the city and the country's housing crisis, has made the need for NYCHA's work more apparent, Federal support of NYCHA's operating costs has dropped precipitously. Since 2001, decreasing Congressional appropriations have cost NYCHA \$611 million in federal operating subsidies. Furthermore, the State and the City no longer contribute operating subsidies for the developments which they have constructed requiring NYCHA to spread out the dollars earned from rent and Federal subsidies even more. In fact, NYCHA pays \$25 million in PILOT payments, \$73 million to the Police Department and \$30 million to the Department for the Aging. With this daunting financial outlook, it is not a surprise that NYCHA has reported an unsustainable structural deficit of nearly \$195 million.

NYCHA's deficit combined with its financial obligations such as the aforementioned PILOT payments will force NYCHA to make painful changes to how it operates. The City and public housing residents will likely suffer if the City does not step in to sustain the human service programs which serve public housing residents. NYCHA budget cuts could lead to the closure of:

- 146 Senior Centers (100 operated by non-profits in contracts with Department for the Aging, 46 operated by NYCHA.)
- 136 Community Centers operated by NYCHA and community service partners.
- 10 Naturally Occurring Retirement Community's Social Support Programs

Similarly, programs which operate in NYCHA sites may be forced to pay rent and utilities thus jeopardizing the service providers' ability to continue their programs. The include

- 117 childcare and Head Start programs
- 37 Out of School Time comprehensive after-school programs

It is incumbent upon the City to ensue that public housing residents do not fall victim to such drastic service reductions. UNH is coordinating a coalition of more than forty social service providers and advocacy organizations to call upon the city to act in order to save these needed services. The City must commit the funding necessary to support DFTA's senior center's and NORC's, space for after school and child care programs and community center programs. Furthermore, the city should waive the PILOT payments that NYCHA currently pays for city services. Lastly, we urge the City to convene a task force to recommend changes in the funding agreement between NYCHA and the City so that NYCHA can eliminate its structural budget deficit and maintain services.

Thank you again for the opportunity to testify. I am grateful to the Subcommittee and to Councilmember Mendez for calling this hearing and for advocating on behalf on NYCHA residents. UNH remains committed to working with City leaders, social service providers, NYCHA and others to ensure that public housing residents have access to needed social services.