

Testimony from NYCHA’s Chief Operating Officer Eva Trimble
Rent Arrears and Evictions (Resulting from Underfunding ERAP)
Committee on Public Housing
Wednesday, September 18, 2024 – 11 a.m.
New York City Hall Council Chambers

Chair Chris Banks, members of the Committee on Public Housing, other distinguished members of the City Council, NYCHA residents, community advocates, and members of the public: good morning. I am Eva Trimble, NYCHA’s Chief Operating Officer. I am pleased to be joined by Chief Financial Officer Annika Lescott-Martinez, First Deputy General Counsel Hannah Roth, Managing Director of Strategic Operations for Real Estate Development Gillian Connell, and other members of NYCHA’s team.

Thank you for this opportunity to discuss the critical matter of rent arrears, including its impact on the Authority and how we are working to address it. NYCHA was founded nearly a century ago to serve as a vital resource of truly affordable housing for low-income New Yorkers, and this mission remains the same today. Our goal is to keep residents housed, and that is why we have advocated vigorously for rental assistance funding from the government and implemented various supportive policies and programs that assist residents who are having trouble paying their rent.

Rent Revenue Is Vital to Serve Residents

Rent payments constitute one-third of NYCHA’s operating budget, funding that is necessary to repair and maintain our developments and promote residents’ quality of life. This revenue is especially critical considering that our aging buildings suffer from nearly \$80 billion in major capital needs, the consequences of decades of federal disinvestment from public housing. Unfortunately, we are currently collecting only about 68 percent of the rent owed, and rent arrears now stands at \$487 million – nearly four times what it was in 2019 and well beyond the ERAP funding we’ve secured for residents. All households must do their part in paying rent so that we can provide the quality of life that residents deserve.

As the largest public housing authority in the nation, and the city’s most significant resource of affordable housing, we recognize the ability of affordable housing to stabilize and support – and offer a pathway to opportunity – for the hundreds of thousands of families we serve. As such, eviction rates are very low at NYCHA – substantially lower than at other public housing

authorities and substantially lower than the citywide eviction rate. Eviction is always a measure of last resort, after we have exhausted all other ways to resolve tenant issues, whether they are related to egregious cases of nonpayment of rent or major lease violations. After the nearly two-year pandemic-related eviction moratorium was lifted in January 2022, NYCHA executed only two evictions in all of 2022, 58 in 2023, and 174 this year, as of September 1. For context, NYCHA evicted 556 households in 2019 (a 0.3 percent eviction rate compared to the 0.12 percent eviction rate in the 2024 City Fiscal Year). The majority of the evictions for nonpayment of rent involved extremely high arrears, where the households owed tens of thousands of dollars – an average of more than \$15,000 in 2024.

In most instances of rental arrears, we are able to work collaboratively with residents to resolve the matter, with tenants paying their arrears and staying in their apartments as a result. Beyond evictions for the nonpayment of rent, evictions may also occur because of a serious lease violation or when the resident is not authorized to live in a NYCHA apartment.

Policies to Promote Housing Stability

To give you a sense of how dire and pervasive the situation regarding arrears is, consider this:

- As of September 1, there are nearly 70,000 households in arrears – almost half of all households – and 20,000 of those are senior-headed households;
- The average amount of arrears per household is \$6,915, representing an average of 14 months of arrears;
- Twenty percent of households owe more than \$10,000; and
- The average rent billed is \$651, though the average rent collected is \$399.

There are several policies and programs in place at NYCHA to assist residents who are falling behind in paying their rent. At the beginning of the pandemic, we launched a NYCHA-wide campaign to inform residents of the various ways they can get help, from one-time emergency assistance available from the City's Human Resources Administration to financial counseling opportunities from our partners. We work with residents experiencing hardship, developing payment plans that will enable them to get caught up on rent – there are more than 1,500 payment plans in effect currently, and the vast majority of them were executed this year alone. Significantly, rent is calculated based on household income; residents experiencing a loss in income can have their rent reduced to as low as zero – this is the case for residents of our

traditional public housing developments as well as our PACT developments, and it is a demonstration of how NYCHA serves as a powerful bedrock of stability in our communities.

There are also strong protections for residents at our PACT developments, in accordance with applicable federal rules and regulations. NYCHA requires our PACT partners to work with on-site social service coordinators to conduct proactive outreach to help connect families with resources, such as accessing public benefits or setting up installment payment plans. PACT partners must make every effort to avoid initiating a formal eviction proceeding in Housing Court, and NYCHA closely monitors these outreach efforts. In 2023, for instance, pre-eviction outreach was provided to nearly 5,000 households, and only 36 evictions occurred after this outreach (representing an eviction rate of 0.19 percent).

ERAP and Other Rental Assistance Programs

We are proud of our successful efforts to obtain ERAP funding for NYCHA residents, a great example of what we – NYCHA, residents, elected officials, and other advocates – can achieve when we work together. NYCHA has received a total of approximately \$159 million in ERAP funding, \$39 million more than we initially expected. We have already applied over \$148 million to residents' accounts and will continue to credit residents' accounts as funds are received. This funding has helped to bring down, and stabilize, rent arrears.

Initially, NYCHA residents were going to receive zero dollars in ERAP funding. But thanks to NYCHA's tireless advocacy in collaboration with partners like Mayor Adams, this Council, Governor Hochul, and the State legislature, NYCHA residents are receiving their fair share of these vital funds. This victory is a testament to our supporters' commitment to the well-being of public housing residents, and the strength and future of this agency. However, because of the delay, thousands of residents had ERAP applications pending for three or four years. In that time, many residents may have thought that their ERAP funding would resolve all of the arrears accrued – but it only provided a maximum of 12 months of assistance. Additionally, while the ERAP application was pending, NYCHA was precluded from bringing an eviction proceeding on the basis of nonpayment of rent. These factors led to a significant buildup of rent arrears.

To help address the buildup of arrears, we are implementing two additional rental assistance programs that will provide much-needed financial relief to residents who were impacted by the

pandemic. The State Covid-19 Rental Assistance Program (CRA) and federal HOME American Rescue Plan Program (HOME-ARP) will provide up to an estimated \$185 million to cover some or all of the rent arrears of eligible residents. We are soon launching a communications campaign targeted to residents we've preliminarily identified as eligible to let them know how they can obtain these critical funds.

Serving Residents and the Community

Our primary mission is to keep residents housed. As we have outlined, we are doing everything we can to accomplish this goal, to promote the well-being of NYCHA residents while also ensuring that the Authority has the funding to best serve NYCHA families. We look forward to additional conversations with you about how we can advance this work in service to the NYCHA community.

Thank you. We are happy to answer any questions you may have.