



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
SCOTT M. STRINGER

January 11, 2021

Hon. Joseph Biden  
President-Elect of the United States  
1401 Constitution Ave NW  
Washington, D.C. 20230

The Honorable Charles Schumer  
Minority Leader, U.S. Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker, U.S. House of Representatives  
1236 Longworth House Office Building  
Washington, D.C. 20515

Dear President-elect Biden, Senator Schumer and Speaker Pelosi:

The New Year dawns with a surge of hope as a new presidential administration takes office, a new Congress takes its seat, and vaccines against the COVID-19 virus roll out across the country. Our nation can aspire again not just to a return to the more normal rhythms of daily life, but also to a better future, with more equitable growth and solutions to heal our planet, lift up communities and address the numerous discriminatory policies that have cumulated over the past four years.

However, our optimism must be tempered with clear-eyed resolve about the magnitude of the work ahead of us. As New York City Comptroller, my job is to help protect the city's fiscal future. In that capacity, I see every day the devastating effects COVID-19 is having not just on our communities, but on our city's broader economy and budget. New York City remains the financial capital of the world and always will be, but we need budgetary help from Washington, D.C now if we are going to weather the storm, and that is my purpose in writing today.

To date, the pandemic has claimed the lives of more than 25,000 New Yorkers, shuttered businesses, disrupted people's livelihoods, upended the lives of school children, and exacerbated longstanding inequities.-In the nation's economic engine, nearly half a million people remain unemployed. The lights are off on Broadway and performance venues are on life support. Almost a third of the City's small businesses are at risk of closing forever. Restaurants struggle to keep their doors open, and reeling and crucial community assets like childcare facilities and local pharmacies are perilously close to financial ruin.

State and local governments cannot meet our residents' needs alone. New York State already sends \$26 billion more in taxes to the federal government than it gets back in federal spending, a larger imbalance of payment than any other state. New York City powers the national economy. Federal

investment in the financial wellbeing of our cities is crucial to any sustained recovery.

I urge you to act swiftly to help save New York City and get this nation's economy back on its feet. New York City has many needs but it is crucial that the federal government mobilize on a comprehensive stimulus package that addresses both critical short-term needs and also prepares to build back a stronger, more inclusive 21<sup>st</sup> century economy. The list below presents what I believe to be our most urgent and important economic and fiscal needs – encompassing both short-term and long-term needs. I respectfully submit them for your consideration.

### **Expedite COVID-19 Relief**

The stimulus package enacted in the closing days of the 116<sup>th</sup> Congress provided some important, if limited, help to hard-pressed families and businesses. The additional 11 weeks of unemployment benefits, including extending the Pandemic Emergency Unemployment Compensation at \$300 per week and the innovative Pandemic Unemployment Assistance program, are a start – but do not go far enough to provide meaningful relief. For so many workers, jobs will not be returning by March. In the next relief package, I urge you to raise direct payments to \$2,000 and again extend the unemployment assistance. Likewise, the flexibility to use 2019 income for purposes of claiming the Earned Income Tax Credit will benefit nearly a million households in New York City alone. Rental assistance will be crucial to many families who have struggled to stay current with their rent over the past months.

The package also included assistance for local school districts, for transit, the child care sector, and for vaccine distribution – all critical needs. The next stimulus package, however, must address the economic realities faced by state and local governments, which collectively face a revenue shortfall of \$467 billion over three years, according to Brookings Institution estimates. New York City has committed nearly \$5.5 billion to fight back COVID, while suffering a \$7.5 billion revenue shortfall; New York State faces an \$8.7 billion shortfall next year, and the threat of local aid cuts hangs over all New York State local governments. Without assistance from the federal government, New York City faces the prospect of having to cut crucial services and potentially lay off municipal workers.

I also urge you to ensure that the next relief package includes:

- Cancellation of student debt for distressed borrowers, and making the Child Tax Credit fully refundable.
- A national moratorium on evictions and additional rental assistance of at least \$50 billion, alongside emergency vouchers and grants to help those at risk of homelessness remain sheltered. Any national eviction moratorium that supersedes the patchwork of state level policies must apply to *all evictions*-- whether or not tenants make sworn declarations regarding a loss of income, and including tenants whose leases have expired during the pandemic.

Moreover, benefits to individuals and families must be provided without respect to immigration status. After four years of disparagement, neglect and abuse, it is time to treat all our people as one family.

## **Address Food Insecurity and Nutrition**

Food insecurity is not new in our country but the pandemic has exacerbated the need to crisis levels. Before COVID-19, there were more than 25 million people, including 11 million children, living in food insecure households in our country. According to data from Feeding America, those numbers may now be as high as 50 million households including 17 million children. I urge you to proactively address this growing crisis by supporting measures to remove enrollment barriers and simplify nutrition benefits application processes, pass legislation to increase Supplemental Nutrition Assistance Program (SNAP) benefits by replacing the “thrifty” food plan with the “low cost” food plan to enable families to purchase sufficient healthy food each month, ensure sufficient federal reimbursements to provide all elementary, middle and high school students with breakfast, lunch and afterschool meals free of charge, and expand and improve online SNAP ordering to better allow SNAP recipients to use their benefits online to order groceries.

## **Restore the Metropolitan Transportation Authority**

The transit aid included in the bill passed last month, which included \$4 billion for the MTA, provides a down payment on the Authority’s needs. Without further federal support, however, the M.T.A. could be forced into drastic cutbacks that could paralyze the nation’s largest public transit network. Ridership and farebox revenue have plummeted at the M.T.A., creating a \$16 billion deficit.

A hobbled M.T.A. would profoundly damage the environment, quality of life for commuters, and the economic recovery of the nation’s largest city. According to a new report, the possibility of severe service cuts and retrenchment on infrastructure improvements could result in a loss of 450,000 jobs and \$50 billion in foregone earnings in New York City. The federal government must help ensure that the M.T.A. is on sound financial footing by providing support for both capital and operating needs.

Beyond increased federal funding and consistent operating support, the MTA would also benefit from the immediate approval of congestion pricing in Manhattan’s business district. Delays and inaction by the Federal Highway Administration are set to cost the MTA \$1 billion in desperately needed revenue next year. Congress should also pass the Moving Forward Act, which would provide \$100 billion for transit – while also extending commuter tax benefits to include bikes, e-bikes, and bike share memberships to help spur a mobility revolution on our streets.

## **Reverse Decades of Disinvestment in Public Housing**

As New York City’s public housing stock aged, federal support fell precipitously, leading to dangerous conditions and sub-par housing for nearly half a million city residents. More than three-quarters of New York City Housing Authority (NYCHA) residential buildings are more than 40 years old, yet federal capital funding to NYCHA continuously declined from 2001 through 2013, resulting in a cumulative funding loss of more than \$1 billion. As support fell, NYCHA’s unmet capital needs for its 2,371 residential buildings ballooned to more than \$40 billion, including faulty boilers and ventilation systems, broken elevators, and leaking roofs. This need will only grow with time. If it remains unaddressed, it is estimated to rise to nearly \$68 billion in the next decade. NYCHA residents routinely suffer through heat and hot water outages and wait months for basic repairs.

In January 2019, NYCHA entered into an agreement with HUD to address these significant health and safety issues, such as lead paint, mold, response times for heat and elevator outages, and pest control. As part of the agreement, the City committed to invest at least \$2.2 billion in NYCHA. While federal capital support has increased in recent years, reaching \$582 million in FY 2020, federal commitments remain far too low for NYCHA to meet its immediate and pressing needs. It is time for the federal government to meet its capital obligations to public housing and fully fund the outstanding capital needs as part of a new infrastructure bill.

### **Address Health Care Inequities**

The pandemic has not impacted all communities equally. Since March, Black and Hispanic New Yorkers have been hospitalized and lost their lives at twice the rate of white residents. These disparities, which have played out all over the country, are the result of structural inequities in access to care and socio-economic and environmental conditions that expose lower-income and communities of color to greater health risks.

In 2010, the Obama-Biden administration drastically expanded access to care through the Affordable Care Act (ACA), resulting in nearly 20 million more people insured through 2016. While the Trump administration used every regulatory, administrative, legal and policy tool to attack the law, the new Administration has the opportunity to bolster and expand the ACA. Key actions should include enhancing and expanding eligibility for subsidies and developing a public option for anyone who wants it, including all non-citizen immigrants.

More immediately, health care providers who have been on the frontlines of the pandemic need and deserve the support of the federal government, including additional support for providers that are struggling financially under the weight of increased COVID costs and decreased revenue. The federal government must also rescind planned cuts to Disproportionate Share Hospital (DSH) funding that provide critical funds for safety net hospitals.

While I am confident your administration will act quickly to rescind the Trump administration's egregious domestic gag rule, I also urge you to take steps in the short-term to provide broader access to comprehensive, culturally competent reproductive health care, including by prioritizing funding for providers through Title X. Reproductive health care providers are struggling to maintain services for uninsured and underinsured communities amid the dual threats of the Trump administration's harmful regulatory regime and the pandemic and should not have to hope for private dollars to keep their doors open.

### **Adopt Universal Child Care and Paid Leave**

The closure of schools and child care programs across the country has had a devastating impact on children and their families. Children are losing precious time to socialize, learn and grow, while parents – largely mothers – are being forced out of the workforce. Since February, 4.4 million American workers have dropped out of the labor force; about 60% of them are women. No doubt many among them run small child care businesses themselves. Women comprise the overwhelming majority of our low-wage child care workforce, and according to a national survey conducted last summer, four in five providers did not expect to be able to stay open in 2021.<sup>1</sup>

While the \$10 billion set aside for child care providers in the most recent relief bill is a good start, to survive amid sharp declines in enrollment and new health and safety costs, child care providers immediately need at least \$50 billion in a Child Care Stabilization Fund, as proposed in the Child Care is Essential Act. In the long term, a more sustainable investment is required in the sector to ensure that all families have access to quality, affordable care and the early educators who teach our children have access to quality, living-wage jobs. Prior to the pandemic, my office found that nearly half of New York City neighborhoods have more than five infants for every child care slot. Two proposals in Congress, the Universal Child Care and Early Learning Act and the Child Care for Working Families Act, would dramatically expand access to quality care and lower costs for families, offering promising paths to finally realizing true universal child care.

The federal government should also support families through all stages of life by providing job-protected paid leave to all. I am hopeful that your administration will fight for an extension of emergency paid sick leave and paid family leave for the duration of the pandemic and close the loopholes that have left millions without access. Additionally, swift passage of the FAMILY Act, first introduced in 2013, would ensure that, moving forward, workers will no longer have to choose between their livelihoods and caring for their children or sick family members. Among developed countries, the United States remains the only country that does not guarantee any national paid leave benefits, a shameful title to hold.

### **Invest in Infrastructure**

To reverse the economic disruption caused by COVID-19, our country requires a robust and sustainable stimulus package that can build out the infrastructure that undergirds a 21<sup>st</sup> century economy. A stimulus package that focuses on infrastructure can create good, union jobs that put Americans to work, inject billions into local economies, and fix our crumbling roads and bridges, electrical grid, and transit systems and expand broadband access to all communities.

Investing in infrastructure will benefit our economy right now and for decades to come. I urge your administration to put forward an ambitious infrastructure plan that can help New York City bring long-gestating projects to fruition and put shovels in the ground on brand new visions for a better City. I ask that any infrastructure package consider the following projects:

- Fully fund the Gateway Tunnel, often deemed as the nation's most critical infrastructure project. The Gateway Tunnel would double the capacity of Northeast Corridor Trainlines and would avert the potentially catastrophic failure of the 109-year-old tunnel that carries 200,000 passengers into New York daily.
- Complete the next phase of the Second Avenue Subway, bringing the "Q" line from Second Avenue and 96<sup>th</sup> Street to Lexington Avenue and 125<sup>th</sup> Street. The line has been in various stages of development for the last century and a concerted push from the federal government could help bring the benefits of the subway to East Harlem.
- Fund the City's Internet Masterplan to bring universal broadband across the five boroughs by lining every street with open access fiber optic infrastructure. The City estimates that an investment of \$2.1 billion would unlock high-speed, high-quality broadband for the 1.5 million New Yorkers who lack a home or mobile internet connection.

- Retool federal transportation grants to fund not just roads but build a five-borough bike infrastructure that will drastically increase opportunities for safe cycling in New York City. The Regional Planning Association’s proposal for a 425-mile network of bike lanes would be a good blueprint for a project that could take off with necessary funding.

### **Adopt Fair Tax Policies**

After four years of tax cuts and loopholes for corporations and the wealthiest taxpayers, it’s time to restore fairness to the federal tax code. I urge Congress to reduce the burden on working families by increasing the Child Tax Credit and the Earned Income Tax Credit (EITC), while paring back corporate tax cuts. Congress should also reverse the unfair limitation on state and local tax deductions, which subjects New Yorkers to double taxation, and restore tax-exempt advance refundings to allow state and local governments to reap the benefits of comparatively low interest rates.

### **Address the Housing Affordability Crisis**

In the years leading up to the COVID-19 pandemic, cities like New York have suffered from an affordable housing crisis. Nearly 565,000 New York households pay over half of their income for rent, are severely overcrowded, or have been in homeless shelters for over a year. Sixty-five percent of extremely low-income households are severely rent-burdened (i.e., pay more than half their monthly income toward rent) and nearly one-third of very low-income households are severely rent-burdened.

Moreover, this crisis has disproportionately affected low-income communities of color. From 2013-2019, Black residents made up 40% of the populations of areas with the highest eviction rates, while only making up 3.9% of low-eviction areas. The same trend was found in the number of Hispanic residents which was twice as high in high-eviction areas than low-eviction areas. As we know, the Coronavirus is disproportionately affecting Black and Hispanic communities. Frankly, without serious public investment, we know where the new eviction crisis will strike and how devastating it will be for neighborhoods still reeling from the virus. We need a federal response that restores protections lost under the Trump Administration and goes further to address long-standing inequities in housing and community development.

- Fully fund Housing Choice Vouchers (HCV) (formerly section 8). It's important that the voucher program actually includes enough funds to serve residents, and not just enough to have many sit on year-long waitlists.
- Implement lessons from mobility research to end source of income-based discrimination in HCV. The HCV program suffers from administrative hurdles for housing providers, discrimination against voucher holders, and other barriers for renters in need. Of the many necessary reforms to the voucher program, increasing mobility is of utmost importance. Groundbreaking research on ways to relieve barriers faced by voucher holders must be utilized in HUD’s implementation of the program.
- Fund a Federal Renters Tax Credit program. Such a program could provide crucial relief to LMI families. A renters’ credit proposal would allow New York and other states to allocate federal tax credits to families so that they would pay no more than 30 percent of their income

for rent. In lieu of the growing gap between rental assistance allotment and those that need it and the political obstacles to increasing that funding, a credit could bridge the gap for those that need funding but don't receive it.

- Increase funding of the Housing Trust (HTF) and Capital Magnet Funds (CMF) by increasing the basis points for Government Sponsored Enterprises (GSE) user fees. These two funding sources are key to revitalizing LMI communities and providing adequate housing in a post-COVID United States. Our housing agencies and Community Development Financial Institutions (CDFIs) rely on these funds to finance affordable housing and to serve low-income people and businesses in marginalized communities. These organizations know our communities best and have the flexibility to create market-based solutions that provide capital to chronically underserved New York communities, that will increase homeownership, and leverage federal dollars for economic development in a locally controlled accountable way. Most importantly, this funding will help encourage real alternatives to predatory loans.

### **Education Investments**

- Increase Title I funding. Federal Title I dollars supplement state and local funds directed to schools with high concentrations of students from low income families. Given the disproportionate unmet needs of low income students and families during the pandemic, schools that depend on Title I funding will be facing increased budget strains for years to come. These additional funds should specifically support students experiencing homelessness, and provide enhanced afterschool or summer programming for low income youth.
- Raise the federal share of funding for additional costs associated with educating students with disabilities. This group of students is much more likely to have regressed in their learning because of missed or inadequate delivery of mandated services, or because of difficulties with remote instruction. As a result, students with disabilities will need intensive supports in the years going forward to recover from learning losses.
- Expand Perkins funding for Career and Technical Education and Workforce Investment Opportunity funding for job training. Create a new funding stream to make community college tuition-free and provide wrap-around services for these students based on the CUNY ASAP model.

With so many unmet needs due to the ongoing COVID-19 crisis, these requests cannot encompass all that is necessary to ensure a robust and inclusive recovery for New York City. But each of these requests would go a long way to generating jobs, economic recovery, and a better future for the City. I am very excited to work with you on these priorities in the months ahead.

Sincerely,



Scott M. Stringer  
New York City Comptroller