



## **LISC NYC Advocacy Platform**

LISC NYC is one of the largest community development financial institutions in New York City, building and preserving more than 42,000 affordable homes benefitting thousands of families, investing in dozens of commercial corridors, and securing the resources small businesses, especially minority-owned businesses, need to thrive – most recently deploying \$1.1 million in grants to more than 100 BIPOC-owned small businesses who desperately needed relief.

Central to our mission is closing the racial wealth gap. The last year has caused us to come face to face with the racial and economic disparities that are foundational in our society. Systemic inequities are just that—inequities that are inherent in our system. These inequities were on display and had to be faced as the impact of the continuing COVID-19 pandemic, coupled with the resurgence of the demand for racial justice, called attention to the plight of Black, brown, immigrant, undocumented residents of our City. The underrepresented population and the underserved communities in which they live deserve better.

LISC NYC will focus its 2021 Advocacy Platform on issues that go to the heart of closing the gaps of inequities that exists in our city – from securing the foundation of community development through access to affordable housing to strengthening commercial corridors, building small minority owned businesses, addressing digital inequities, and supporting our nonprofit partners who are providing front line support to countless communities.

Below is an outline of LISC NYC's 2021 advocacy platform that is intended to help New York City recover from the economic crisis in a way that is equitable, efficient, and effective because, more than ever, we need a New York City that is fair and just.

**Valerie White**

**Executive Director; LISC NYC**

## ***Residential Rent Relief: Protecting Tenants***

- **Nationally, 30-40 million tenants may be at risk of eviction stemming from the economic challenges brought on by COVID-19.** In New York, this could represent three million residents<sup>i</sup>. While the extension of the federal eviction moratorium<sup>ii</sup> and New York's State's residential eviction moratorium<sup>iii</sup> will curb evictions in the short-term, they do not present any long-term support to tenants at risk.
- **Eviction moratoriums do not prevent non-COVID-related evictions nor do they prevent residents from accruing housing-related debts<sup>iv</sup>.** Evicted tenants will be forced into overcrowded housing or shelters, putting them at higher risk of contracting COVID-19 and other long-term, debilitating health outcomes.
  - In January, Americans were estimated to owe \$70 billion in housing debts such as back-rent, late fees and utility bills.
  - In NYC, eviction filings are hitting disinvested areas the hardest. Since March 2020, there have been over 40,000 eviction filings, concentrated in Latinx households in the Bronx and Brooklyn.
- **Without significant economic and legislative relief to tenants and landlords,** the country could see a historic spike in evictions, giving way to heightened housing instability, debt, and COVID-19 cases. While the American Rescue Plan and the New York State FY 2022 Budget were steps in the right direction, much more must be done to protect our communities.

### ***What must be done?***

The best approach to addressing the residential rent crisis is the immediate deployment of the \$1 billion in federal rent relief aid to New Yorkers most at-risk of eviction. LISC NYC recommends that a temporary State and City office dedicated to rental issues and recovery should be established to:

- Address housing issues related to the ongoing COVID-19 crisis;
- Expedite the disbursement of funds to small landlords and tenants facing housing loss.

The office should consist of a collaboration of agencies such as the Department of Human Rights, Division of Housing and Community Renewal, Department of Housing Preservation & Development, the New York City Housing Authority, and other relevant partners to ensure the comprehensive needs of New York's most vulnerable are being met.

## ***Commercial Rent Relief: Protecting Small Businesses***

- In New York City, **small businesses, especially those that are minority-owned, are the hardest hit businesses by the pandemic.** Estimates predict a third of the NYC's small businesses will shut down permanently<sup>v</sup>. For those in operation, their financial stability was tenuous before the pandemic and now their ultimate survival is at risk. In a survey by the Brooklyn Chamber of Commerce, more than half of businesses are struggling to pay rent or owe significant back-rent. For minority and women owned businesses, these burdens are even higher<sup>vi</sup>. According to a survey conducted by LISC NYC, nearly three quarters of New York City minority-owned small businesses fear they will be forced to close their businesses permanently if they do not receive immediate financial relief.
- **Mainstream relief efforts do not provide substantive rent relief and do not reach communities equally.** Low income areas, particularly communities of color who have been financially marginalized for decades, have received the least relief. In NYC, low income and historically underbanked

communities of color received the lowest amounts of Paycheck Protection Program (PPP) loans across the City. Further, those who accessed PPP loans were limited to supporting payroll costs which pales in comparison to the City's rent costs<sup>vii</sup>.

- While programs such as LISC's Small Business COVID-19 Relief Grants and New York Forward Loan Fund provide some support in reaching marginalized businesses with the flexible funding that they need, **NYC needs more financial relief immediately. Without rent relief, the commercial corridors that are vital to NYC's most disinvested communities may be lost, and in many cases, will make them ripe for gentrification.**

#### ***What must be done?***

Direct financial support from the federal government – in the form of grants not loans – will be necessary for the survival of many small businesses across New York City. This support will be especially critical to M/WBE small businesses in disinvested neighborhoods, which are historically underbanked and have lower access to capital than other small businesses.

Similarly, it's critical that the relief provided by the American Rescue Plan and the New York State FY 2022 budget are both distributed in a way that specifically and accessibly targets the small businesses most economically devastated by the pandemic.

#### ***Digital Equity***

- **In an increasingly digital world, digital inclusion is a necessity to be economically and socially included in society, but in New York City, 40% of households lack home or mobile broadband<sup>viii</sup>.** For the City's most disinvested communities, the digital divide is even greater, with 44% of those living under the poverty line lacking broadband access, and Black and Hispanic residents being 10% more likely to lack access<sup>ix</sup>.
- **COVID-19 has made clear the need for digital equity, but legislation has not kept up.** As more of daily life – even prior to the pandemic – continues to move to a more remote structure, disparities in digital access will have compounding negative impacts on education, business, employment and many other areas of everyday life. **Obstacles to achieving digital equity are rooted in structural inequities that have been pervasive in New York City for decades.** In order to close that gap, LISC NYC advocates for policies that not only address the expansion of broadband infrastructure but expand the affordability of and access to digital devices and digital literacy education.
- Estimates predict the potential economic impacts of universal broadband citywide could result in up to 165,000 new jobs, up to a \$49 billion increase in personal income, and up to \$142 billion in incremental GDP by 2045<sup>viii</sup>.

#### ***What must be done?***

Government leaders must prioritize digital access as they would any other public utility, and enact legislation towards the development of a comprehensive digital infrastructure across the City. In order for all New Yorkers to be connected in this digital world, the following must occur:

- Robust infrastructure investments by the federal government to make all neighborhoods broadband accessible;

- Minimum requirements for internet access speeds that are both useful and usable at affordable rates; and
- Investment in digital literacy assistance that is community-based.

### ***Capacity Building for Nonprofits***

- **Across the nation, nonprofits and community-based organizations are grappling with the devastating economic impact of COVID-19.** Prior to the pandemic, these organizations operated on already razor thin margins to serve their communities. With the financial strains caused by COVID-19 and the lack of significant, dedicated government funding<sup>x</sup>, these organizations are at risk, jeopardizing the services and supports communities across the five boroughs depend upon. In New York, its estimated that nearly 2,000 nonprofits may be lost due to the pandemic<sup>xi</sup>.
- The biggest losses in the sector are for organizations serving those hit hardest by the pandemic, in the human services sector<sup>xii</sup>. In NYC, nonprofits providing these services, particularly **community-based organizations (CBOs), are handling the bulk of COVID-19 relief in their communities while facing diminished revenues.**
  - In a May survey, it was found that some respondents have spent \$1 million on unanticipated costs, including: cleaning, technology, staff and high demand for food assistance<sup>xiii</sup>. Through this survey, it's clear that CBOs have incurred significant costs retrofitting their organizations to deliver services remotely, and bolstering their organization to provide sustained services in the long-term<sup>xiv</sup>.
- **Government intervention is critical to ensure these organizations have the funding needed to support communities through the pandemic and build resiliency to thrive in the long-term.** These organizations are meeting increasing challenges and their operating costs are growing faster than their revenues. Without support through this crisis and funds dedicated to building up the sustainability of the sector, the most disinvested communities will continue to be devastated long after the crisis subsides.

### **What must be done?**

We need a top-down recognition of the budgetary needs (and constraints) of the CBOs and non-profit organizations that serve our community, and to reframe our thinking about how these institutions are funded. Many of these groups work with populations that suffer greatly when there is a lag in funding that slows community supports, making sustained and robust funding for these organizations a necessity.

It's important we consider implementing a dedicated budget-line to qualified CBOs and non-profit organizations, whose oversight and dispersal happens through a relevant government agency. This sustainable form of budgeting would give the organizations on the ground, and in the community, the resources they need to operate without concerns about their long-term viability.

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<sup>i</sup> The COVID-19 Eviction Crisis: An estimated 30-40 Million People in America are at Risk, [National Low Income Housing Coalition](#)

<sup>ii</sup> COVID-19 and Changing Eviction Policies Around the Nation, [Eviction Lab](#)

<sup>iii</sup> Governor Cuomo Signs the Covid-19 Emergency Eviction and Foreclosure Prevention Act of 2020, [New York State](#)

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- iv Extend CARES Act Eviction Moratorium, Combine With Rental Assistance to Promote Housing Stability, [Center for Budget and Policy Priorities](#)
  - v They Offered Us Comfort and Normalcy. Now They Need Our Help, [New York Times](#)
  - vi Commercial Rent Survey, [Brooklyn Chamber of Commerce](#)
  - vii New York's Small Businesses Left Out of the Paycheck Protection Program, [Association for Neighborhood & Housing Development](#)
  - viii NYC Internet Master Plan, Executive Summary, [NYC Mayor's Office of the Chief Technology Officer](#)
  - ix Census and The City: Overcoming NYC's Digital Divide in the 2020 Census, [NYC Office of the Comptroller](#)
  - x One-Off Funding for Human Services in Federal Relief Packages is Insufficient, [FPWA](#)
  - xi How Many Nonprofits will shut their doors? State-level data, [Candid](#)
  - xii How many nonprofits will shut their doors? [Candid](#)
  - xiii Essential Yet Vulnerable: NYC's Human Services Nonprofits Face Financial Crisis During a Pandemic, [Center for an Urban Future](#)
  - xiv Rooted Responders: How Community Based Organizations in NYC are Coping with the COVID-19 Crisis in their Neighborhoods, [LISC NYC](#)

*[THE LISC NYC Advocacy Platform document was produced by Leah Martins-Krasner, Community Development Officer and Lashay Young, Senior Communications and Policy Officer at LISC NYC](#)*