

CAMPAIGN TO IMPROVE AND EXPAND CITYFHEPS

Recommendation #2: ELIMINATE UTILITY COST DEDUCTIONS

THE HOMELESSNESS CRISIS IN NEW YORK CITY

Homelessness should only ever be brief and rare. In New York City, however, it is neither. With average shelter stays at over a year for single adults (483 days) and over two years for adult families (773 days), we can't say homelessness is brief.¹ And with roughly 70,500 people in the shelter system as of January 2023, and thousands more living on the streets, we cannot say it's rare.²

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WHAT IS CITYFHEPS?

CityFHEPS (“City Fighting Homelessness and Eviction Prevention Supplement”) is a voucher that helps tenants pay rent each month. There are different types of CityFHEPS vouchers, but the main version helps households leave homeless shelters and move into apartments. An additional smaller number of vouchers are meant to help people remain housed so they avoid entering shelter. While the City has recently made important changes to improve the program, there is more work to be done to ensure that more people can access CityFHEPS vouchers, and fast.

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HOW CAN WE IMPROVE CITYFHEPS?

In a series of short briefs, we are exploring the various ways that the CityFHEPS program can be improved. This piece, second in the series of recommendations, considers the question of deducting utility costs from rent.

WHAT IS THE UTILITY COST RULE?

Under the [CityFHEPS administrative code](#), the City reduces the amount of subsidy to voucher holders whose landlords do not include utilities in their rent. The reduction is based on estimated utility costs given the size of the household. Table 1 below describes the maximum rent available to voucher holders depending on the number of bedrooms in their dwelling unit, under various utility scenarios. Table 2 provides the details on estimated utility costs, again varying with

the number of bedrooms, and the type of utility provided.³

Given the utility cost rule, a voucher holder in a two-bedroom apartment, whose landlord does not cover any utilities, can only expect to receive a rental subsidy of \$2,296–\$231 less than the maximum rental subsidy of \$2,527 received by a voucher holder in a similar sized apartment but where the utilities are covered.

WHY IS THE UTILITY COST RULE PROBLEMATIC?

1. Prolongs the search for housing: This rule makes it harder for individuals and families to find housing by reducing the amount of rental support. The reduced rental support implies that voucher holders must pay a higher share of housing costs, often higher than 40 percent of their income, which then disqualifies their chosen apartments from receiving the support entirely, forcing them back to shelters. Additionally, given that apartments for voucher holders are already limited due to many landlords' reluctance to accept vouchers, often manifested as illegal Source of Income discrimination, this rule further shrinks the housing supply, effectively prolonging shelter stays and compounding the homelessness crisis.
2. Economically destabilizing and inefficient: The utility cost rule puts the burden of paying for utilities on vulnerable and housing insecure individuals and families. To require these individuals and families to pay for gas, heat, and hot water, simply because their landlord does not automatically include it in the contracted rent, might be enough to push them into a downward spiral of indebtedness and economic instability. This arbitrary rule, in other words, has the potential to undo the very purpose of voucher provision: helping these individuals and families find and stay in permanent housing.
3. Adds needless complexity to the process: Individuals and families who are seeking housing using a CityFHEPS voucher are already strained, either by living in the NYC shelter system or by juggling multiple competing priorities, including work, apartment hunting, schooling/childcare, and negotiating the administrative machinery. In addition, the utility cost rule further complicates matters as many voucher holders do not even realize that their rental support would be reduced until it is too late.

WHAT SHOULD BE DONE TO FIX THE ISSUE?

There should be no deduction of utility costs from the maximum rent. In the instances where the landlord does not provide utilities, the cost of utilities should be made available by the City to the voucher holder to assist them with payment of utility cost. This recommendation is not novel: a form of it is already the norm for NYCHA Section 8 Housing Assistance Program vouchers where the housing subsidy is calculated based on the contract rent and an estimated cost of utilities for apartments that do not include utilities in the contract rent.⁴ In practice, while the agency entrusted with running NYCHA and Section 8 programs, Housing and Urban Development (HUD), does

deduct a utility allowance from the rent, it also takes the burden of paying utilities off the tenants either by reducing their share of the rent by the utility cost if the tenant has a positive rent liability, or by paying the tenant a utility payment allowance in cases the tenant has no rent liability. Aligning the CityFHEPS payment standards with Section 8 would not only ease the burden on voucher holders but would also streamline the process by reducing confusion and having a uniform standard across all rental assistance programs. Council member Tiffany Cabán has introduced bill Intro [0229](#) to prohibit the Department of Social Services (DSS) from deducting utility allowance from the maximum rent.



WHERE CAN I LEARN MORE ABOUT CITYFHEPS?

More information about CityFHEPS is here:

www1.nyc.gov/site/hra/help/cityfheps.page

Or here:

www.cssny.org/CityFHEPS

If you are in shelter and want to learn whether you qualify for CityFHEPS, you can speak with a representative from your shelter.

Table 1: DSS CITYFHEPS PAYMENT STANDARDS

EFFECTIVE 05/01/2022

Maximum Rent Amounts

Number of Bedrooms	All Utilities Included	Without Cooking Gas & Electric	With Cooking Gas Only	With Electric Only	No Utilities Included
SRO	\$1,634	\$1,536	\$1,559	\$1,611	\$1,472
0	\$2,179	\$2,081	\$2,104	\$2,156	\$2,017
1	\$2,218	\$2,108	\$2,134	\$2,192	\$2,033
2	\$2,527	\$2,388	\$2,278	\$2,498	\$2,296
3	\$3,188	\$3,019	\$3,052	\$3,155	\$2,912
4	\$3,426	\$3,229	\$3,265	\$3,390	\$3,106
5	\$3,940	\$3,713	\$3,753	\$3,900	\$3,575
6	\$4,454	\$4,227	\$4,267	\$4,414	\$4,089
7	\$4,968	\$4,741	\$4,781	\$4,928	\$4,603
8	\$5,483	\$5,256	\$5,296	\$5,443	\$5,118
9	\$5,997	\$5,770	\$5,810	\$5,957	\$5,632
10	\$6,511	\$6,284	\$6,324	\$6,471	\$6,146

Table 2: DSS Utility Allowance Schedules

Effective 01/01/2022

Cooking Gas and Electric (No Electric Stove)

Number of Bedrooms	0	1	2	3	4	5 or more
Cooking Gas (\$)	23	26	29	33	36	40
Electric (\$)	75	84	110	136	161	187
Total (w/ cooking gas and electric) (\$)	98	110	139	169	197	227

Oil Heat and Hot Water

Number of Bedrooms	0	1	2	3	4	5 or more
Oil Hot Water Only (\$)	18	22	31	41	51	60
Oil Heat Only (\$)	61	72	82	92	102	112
Total (Oil Heat and Hot Water) (\$)	79	94	113	133	153	172

Gas Heat and Hot Water

Number of Bedrooms	0	1	2	3	4	5 or more
Gas Hot Water Only (\$)	15	17	25	33	41	48
Gas Heat Only (\$)	49	58	67	74	82	90
Total (Gas Heat and Hot Water) (\$)	64	75	92	107	123	138

Electric Heat and Hot Water

Number of Bedrooms	0	1	2	3	4	5 or more
Electric Hot Water Only (\$)	29	34	43	53	62	71
Electric Heat Only (\$)	39	46	62	77	93	108
Total (Electric Heat and Hot Water) (\$)	68	80	105	30	155	179

Electric

Number of Bedrooms	0	1	2	3	4	5 or more
Including Electric Cooking Range (\$)	86	98	130	162	193	225

Endnotes

- https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2022/2022_mmr.pdf
- <https://citylimits.org/nyc-shelter-count-2022/>
- <https://www1.nyc.gov/assets/hra/downloads/pdf/cityfhps-documents/DSS-8r-E.pdf>
- https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Calculating_Rent_and_HAP_Payments.pdf