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NYC Council Overrides Mayor's Veto of Bill Capping Rents for Voucher Holders



The legislation mandates that households receiving city rental assistance contribute no more than 30 percent of their income to rent. It reverses an earlier move by the Adams administration to increase that amount for a subset of CityFHEPS voucher holders, an effort to manage costs of the \$1.2 billion program.





The bill's sponsor, Councilmember Diana Ayala, with Council Speaker Adrienne Adams at Thursday's stated meeting. (John McCarten/NYC Council Media Unit)

The New York City Council last week overrode Mayor Eric Adams' veto of a bill that would cap rent contributions for households receiving city rental assistance – reversing an earlier move by the administration to increase that amount for a subset of voucher holders, in an effort to rein in spending.

The legislation, passed by the Council in early October and vetoed by Adams a month later, mandates that New Yorkers receiving subsidies under the City Fighting Homelessness and Eviction Prevention Supplement (CityFHEPS) program contribute no more than 30 percent of their income to rent. The vouchers, which help more than 60,000 low-income and formerly homeless households afford housing, cover the remainder.

The bill sought to overturn a rule the city implemented in September that **increased** the monthly rent contribution to 40 percent for a subset of CityFHEPS voucher holders – those with earned income who are receiving the

subsidy for their sixth year (with exemptions for households on Supplemental Security Income, or with members older than 60).

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Advocates and progressive lawmakers denounced the shift, saying it would put those impacted (about 3,100 households, officials

said) at increased risk for eviction.

“New Yorkers are already facing significant economic strains and struggling to pay their rent,” Councilmember Diana Ayala, who sponsored the bill, said during a Council hearing in September. The 40 percent contribution, she added, is “a huge financial burden on families that are already stressed out.”

“It is a backward step when it comes to providing New Yorkers with what they need to survive in this city,” Ayala said.

Adams administration officials say the rent increase impacts only a small portion, about 5

percent, of the 60,000 households participating in CityFHEPS, and cited the shift as one lever to help manage costs for the program, which have increased five-fold since 2020.

The city spent \$1.25 billion on CityFHEPS in the most recent fiscal year that ended in June, and with more than 136,000 participants, it is now the second largest rental subsidy program in the country, according to the city's Department of Social Services (DSS).

By comparison, the New York State legislature allocated **just \$50 million this fiscal year** for the launch of a statewide rental

voucher program (an effort Gov. Kathy Hochul long resisted, citing concerns about the longterm costs).

“It is important we continue to think about responsible financial management so that CityFHEPS can continue to serve as a lifeline going forward,” DSS said in written testimony to councilmembers in September.

More than 37,500 people used CityFHEPS to move from the shelter system to permanent housing in the most recent fiscal year, a record high, according to the agency.

But homelessness advocates argue the savings the city would yield by increasing

rents for a portion of participants – an estimated \$11 million a year – will be outweighed by the hardship it could cause.

“We have New Yorkers struggling right now,” said Diana Ramos, a member of the **Safety Net Activists** and a CityFHEPS voucher holder (though she wasn’t impacted by the rule change). “Housing people is cheaper than leaving someone to rot in the shelter.”

Ayala’s bill is expected to take effect in 90 days.

This is the second major dustup between Adams and the City Council over CityFHEPS. In 2023, the mayor **vetoed a package of bills**

to expand eligibility for the program, raising the income threshold and allowing people facing eviction to apply.

The Council also overrode that mayoral veto, but City Hall refused to carry out the legislation, as City Limits **was first to report at the time**. The two sides **have been battling it out** in court ever since.

Mayor-elect Zohran Mamdani, who takes office Jan. 1, **pledged** to implement the Council's expansion bills, and previously criticized Mayor Adams for fighting them.

"What a ridiculous waste of time during a housing crisis," he **wrote** in a social media

post in July.

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