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Congress of the United States
House of Representatives
Washington, DC 20515-3211

April 2, 2019

COMMITTEE ON HOMELAND
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CHAIRMAN
EMERGENCY PREPAREDNESS, RESPONSE
AND RECOVERY

COMMITTEE ON
VETERANS' AFFAIRS

SUBCOMMITTEES:
HEALTH
OVERSIGHT AND INVESTIGATIONS

Honorable James N. Stewart
Under Secretary of Defense for Personnel and Readiness
Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301

Dear Under Secretary Stewart,

On Staten Island, our community of veterans and servicemembers is one of the strongest in New York City, and the nation—we also know that Staten Island has been the forgotten borough time and again. After hearing from multiple veteran stakeholders, we were appalled to learn that the Department of Defense (DoD) is exacerbating this issue by not only inequitably allocating Basic Allowance for Housing (BAH), but by grouping all four of New York City's other boroughs into one Military Housing Area (MHA), omitting Staten Island. Housing costs in New York City are skyrocketing, and Staten Island is certainly not exempt from those effects. We are eager to engage with you and your office on how we can rectify this matter, and ensure that our active duty members and veteran students on Staten Island are supported fairly.

To be clear, and as you well know, BAH is not an entitlement program. The DoD office of Military Compensation indicates that the purpose of the program is to "provide fair housing allowances to service members," and to help members "cover the costs of housing in the private sector." As an incentive and reward for service, however, this program is also issued to student veterans through the Post-9/11 GI Bill who attend college classes or on-the-job training programs, and is based on the location of the college campus where the veteran student takes a majority of their classes. When these veterans are not considered in calculating BAH, it's the veterans who suffer. In the case of Staten Island, we also see that our local universities are at a stark disadvantage in serving the large number of veterans ready and willing to attend their institutions. According to the U.S. Department of Veterans Affairs GI Bill Comparison Tool, veterans can receive nearly \$1,000 less in BAH if they opt to attend school on Staten Island versus the rest of New York City—this needs to be made right.

In light of this, we respectfully request that your office provide Staten Island BAH parity with New York City's boroughs as a unified MHA, and that you include veteran stakeholders in BAH data collection and allocation moving forward, due to:

- 1) the disproportionately large percentage of veterans on Staten Island compared to New York City's other boroughs;**
- 2) the high cost of living as reflected in Staten Island's CONUS COLA calculation;**

- 3) **Staten Island's current cross-state MHA grouping with Bayonne, New Jersey;**
- 4) **the high civilian household income on Staten Island, linking to high rental costs;**
- 5) **an insufficient amount of sample data given current DoD metrics.**

Large Percentage of Veterans on Staten Island

Staten Island has the highest percentage of veterans in New York City relative to borough population, a number almost twice that of the percentage of veterans in Manhattan and Queens. According to U.S. Census Bureau data spanning 2013-2017, the boroughs of Manhattan, Queens, Brooklyn, and the Bronx have a veteran population that is at or below 1.9% of their total borough population. Staten Island's veterans make up 3.5% of its population, well above the average of the other boroughs. This speaks volumes about the amazing home our island makes for veterans and indicates the stake that they have in this decision. It is imperative that we keep our promise to support these heroes, along with the brave men and women serving in the United States Coast Guard at Fort Wadsworth on Staten Island; equalizing BAH levels is a key step in that direction.

Staten Island CONUS COLA

Our nation's spending needs to be sensible, and servicemembers should receive Continental United States (CONUS) Cost of Living Allowance (COLA) based on real need, as this supplemental allowance is meant to offset servicemember costs in high-cost areas. We were not surprised to see that amid massive cuts this year, Staten Island's COLA index increased by one percent, giving the Staten Island MHA one of the top COLA indexes in the nation.

After an analysis of costs including transportation, goods and services, and sales taxes, Staten Island is at 116% of the average CONUS rate—the island's recent pricing of housing and rentals tell a very similar story but is not reflected in the current allocation.

The Oakland, California MHA is an example of a similarly-high COLA location, with a median gross rent of \$1,255 per the U.S. Census Bureau's 2013-2017 analysis. That same data places Staten Island's median gross rent at \$1,229, nearly the exact same level as Oakland's. However, at their top levels, Oakland's MHA receives roughly \$700 more in BAH allocation than Staten Island's. It is disheartening to see Staten Island's veterans and servicemembers needs are not aligning with DoD's assessment, and we look forward to this being solved.

Staten Island and Bayonne, New Jersey MHA

While Staten Island is not unique in MHA locations across CONUS comprised of two states, the precedent of Staten Island being intrinsically tied to New York City as one of the five boroughs is undeniable.

The U.S. General Services Administration counts New York City as the counties of Bronx, Kings, New York, Queens, and Richmond (Staten Island) in their FY 2019 Per Diem Rate. There is no separation there, and there should not be a separation in MHA in this case.

High Civilian Income on Staten Island

Over years, there has been a massive influx of consumers, renters, and buyers as Staten Island continues to thrive as a borough of New York City. In such a competitive market, prices continue to go up, and the median incomes across New York City have been commensurate. Staten Island has one of the highest median household incomes of the four boroughs, which Census data from 2013-2017 places at \$76,244. The median household incomes of Manhattan, Brooklyn, Queens, and the Bronx, respectively, are \$79,781, \$52,782, \$62,008, and \$36,593.

This should indicate the amount that civilians, writ large, make in New York City should highlight the need for a BAH rate that is commensurate with the costs that civilians bear, including rental costs. Servicemembers and student veterans face the same costs, and while the BAH rates for New York City's current MHA can address these, Staten Island's does not.

Insufficient Housing Data

In gathering data in the spring and summer to assess BAH rates for the following year, DoD reached out to the active duty population of the MHA— we applaud that and thank Fort Wadsworth's Housing Office for participating. While DoD also uses a private contractor to gain additional objective and recent rental data, the surveyed data includes those through publicly accessible third-parties, like Zillow. Upon searching this third party, we can only conclude that the metric used is not ideal for a borough like Staten Island.

Through the Post-9/11 GI Bill, BAH is given to veteran students at an E-5 (with dependents) level, and 2-bedroom townhouses are used as the rental demographic, or anchor point, in gauging rates. After searching this past week, there are only 15 listings for Staten Island fitting these criteria, with an average rent of \$2,177, while Brooklyn currently has 69 2-bedroom townhouse listings, with an average rent of \$2,635. While on its face, this seems appropriate for current rates, the lowest price point for Staten Island listings is \$1,850. There are 18 listings in Brooklyn alone that fall at or below \$2,000 in rent, more listings than Staten Island has in the entire borough.

Servicemembers and student veterans are then forced to look for housing at higher prices in the local economy. Our BAH rate should account for that, and these men and women should not be beholden to a metric that does not work. In addition, surveys and information taken from veteran groups would be of real value, as we cannot forget that not only does this affect them, but these are the benefits that they earned for their time in service.

We are finding more questions than answers in the DoDs decision to limit Staten Island's BAH to a rate incommensurate with needs, omit student veterans' guidance in major BAH decision-

making processes, and to separate Staten Island from the other four boroughs of New York City. We refuse to allow Staten Island to be the forgotten borough, and we look forward to hearing from your office on the status of these requests.

Sincerely,



MAX ROSE
Member of Congress

Cosigned by:

St. John's University
Wagner College
City University of New York (CUNY) – The College of Staten Island
Vietnam Veterans of America Chapter 421
Vietnam Veterans of America Chapter 72
The Fleet Reserve Association Branch 226 Staten Island
The American Legion Watkins-Kellett Post 277
Rolling Thunder Chapter 2 New York