

## TESTIMONY SUBMITTED TO THE NEW YORK CITY COUNCIL COMMITTEES ON HOUSING AND BUILDINGS AND LAND USE TOPIC: INTRO 1031

## CITIZENS HOUSING AND PLANNING COUNCIL HOWARD SLATKIN, EXECUTIVE DIRECTOR SEPTEMBER 26, 2023

My name is Howard Slatkin, and I am Executive Director of the Citizens' Housing and Planning Council (CHPC), a non-profit civic organization dedicated to addressing the City's housing and planning needs. Thank you for the opportunity to testify regarding Intro 1031 and the City's fair housing plan.

The setting of targets to promote housing production is a topic on which I have extensive experience, including from my time at the Department of City Planning, where I played a role in the creation of citywide housing plans and establishment of citywide housing production targets.

The purpose of this bill – to create transparency and accountability for the expansion of housing opportunities across all neighborhoods – is of vital importance.

A sound approach to establishing housing targets can provide critical context for land use and housing policy decisions – avoiding the misapprehension that individual projects are of strictly local significance – and provide accountability for a failure to stimulate production.

However, nonbinding targets can also become irrelevant or even counterproductive, diverting attention and resources away from impactful efforts and toward theoretical housing numbers. Significant elements of this bill would actually tend to decrease, rather than increase housing production. This testimony outlines modifications that would address these problems.

It is crucial to remember that the vast majority of housing – 80 to 90 percent – is built as-of-right, the product of decisions by builders, lenders, and property owners as shaped by market conditions, and not the ULURP process. Housing targets are a benchmark to help us understand whether policies and regulations must be changed to spur new housing, not a shopping list for precisely where it will go and in what quantity.

A citywide housing production target can serve as a North Star to guide numerous relevant policies. We should embrace one and use it to evaluate outcomes and guide policy decisions.

However, allocating the citywide target among Community Districts would actually undermine the intended goal:

• It imposes a false precision in describing the "just right" amount of housing in any district, and implies a control over housing production that does not exist. Because of market forces,

in any short period of time development will inevitably be uneven, exceeding a "just right" target in some areas and lagging it in others. The "just right" target will be viewed as a maximum in high-production areas, and a justification for suppressing new housing there, while policy levers will often not exist to spur construction in low-production areas. As a result, assigning targets to CDs would encourage lower housing production.

- The power of nonbinding targets relies on their legitimacy and persuasive power. But the false precision of a "just-right" CD-level housing target would generate unending debate rather than consensus, undermining the legitimacy and usefulness of targets.
- The process of generating such specific targets will also consume significant agency resources that could better be used to implement plans and regulations that advance housing goals.

These problems can be avoided by replacing the CD-level allocation of the citywide target with less specific CD-level thresholds for *minimum* production. As minimums, these figures would not add up to the citywide target. They would broadly reflect factors influencing area housing capacity without implying that there is a "just-right" amount of housing. They would reflect each neighborhood "doing its part" rather than "having built enough."

The legislation's highly specific targets for affordable housing also risk unintended adverse effects:

- Allocating affordable housing production targets to the CD level in the absence of specific, viable projects raises significant tensions with HPD and HDC's ability to underwrite real projects in a timely, cost-effective, and equitable manner. For instance, an approach that assigns significant targets to districts where few levers exist to produce affordable units would likely have the effect of steering affordable housing resources away from low-income communities of color.
- The administration of affordable housing resources must be responsive to dynamic market conditions. During a five-year period, the agency may need to pivot from new construction to preservation, or vice versa. The plan should not impede this capacity to adapt.

A better approach would be to require HPD to articulate qualitative priorities for its use of resources – e.g., how it intends to produce housing in high-opportunity, high-cost neighborhoods, rather than exactly how many it will build in each such neighborhood.

One additional, critical topic not included in the proposed reporting requirements is a rundown of land use decisions and legislation, so there can be transparency and accountability about how these may have impacted housing production.

Finally, as with all mandated reports, it is important to keep mandates as simple as possible to avoid diverting substantial agency resources from other critical functions. To be clear, this is not excuse for action without planning! But imposing overly complex and costly reporting processes on agencies that are already capacity-constrained will impede the achievement of housing goals.

I urge the Council to amend this legislation to ensure beneficial effects on housing policy, by incorporating:

- A broad, citywide target for overall housing production;
- Simplified minimum production thresholds for Community Districts, rather than "just right" targets that allocate the citywide production target to the CD level; and
- A qualitative articulation of priorities for the use of affordable housing funds, rather than CD-level quantitative targets for new construction, preservation, supportive, and other types of affordable housing.