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TESTIMONY TO NYC CHARTER REVISION COMMISSION JUNE 13, 2024

Thank you for the opportunity to testify today. My name is Howard Slatkin and I am the Executive Director of Citizens Housing & Planning Council (CHPC), a nonprofit organization dedicated to the well-being of the city’s housing stock and the people it serves.

Recent Charter Revision Commissions have examined many topics of importance to housing and planning. I will focus my remarks today on a new item, however: the need for a candid accounting of costs imposed by government actions on the creation and operation of housing.

The Charter today contains (in Section 33, in particular) a requirement for “fiscal impact statements” estimating the effect of new legislation on City revenues and expenditures. These statements lack not only teeth but also relevance to decisions. They are produced after public hearings and debate on legislation, and frequently fudged, ascribing zero fiscal impact to laws that can demand significant agency resources. As a result, we are covering our eyes and ears about the true cost of implementing laws, and the capacity of agencies to take on additional work. The relevance of these statements would be improved by requiring publication of the statement prior to a hearing on the legislation, other means of improved transparency, or introducing consequences for inadequate statements.

A similar lack of transparency is helping to fuel our housing affordability crisis. We have been using our housing stock as a credit card on which we charge the costs of other public policy goals, without attention to the size of the bill or who will ultimately pay it.

When laws or rules add costs to building and operating housing, they contribute to rent hikes, deferred maintenance and reduced resident services. They pose a particular risk for affordable and supportive housing, which cannot raise rents to cover higher costs.

While rising construction costs have many causes, they are a key driver of our housing shortage and affordability crisis. Every dollar of increase in these costs decreases the amount of affordable housing the City's budget can support, and further limits private housing construction to the sort of product that can be sold to a luxury market.

Of course, laws and regulations advance important goals for safety, sustainability, consumer protection and numerous other public purposes. But ignoring their financial consequences prevents thoughtful policy design that would limit the adverse effects on residents and people who are seeking housing. For instance, recently enacted changes to construction site safety requirements can add as much as \$17,000 per unit to the cost of new mid-rise apartment buildings! We can only make sound decisions about these tradeoffs if they are disclosed in a clear and timely manner.

The Commission should consider amending the Charter to require a Housing Financial Impact Assessment prior to public hearing for legislative or rulemaking decisions that impose costs on the construction and operation of housing, to provide a general accounting of these costs. This change would support informed debate and decisions, enable the housing budget to go further, and prevent our city from stumbling deeper into a housing crisis.