



TESTIMONY TO NYC CITY COUNCIL
COMMITTEE ON CIVIL SERVICE AND LABOR
ON INTRO 910
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My name is Howard Slatkin, and I am Executive Director of Citizens Housing and Planning Council, an 87-year-old policy research organization. Thank you for the opportunity to present testimony today.

In pursuit of the goal of making New York City a more affordable place for working people, there is no doubt that helping workers boost their household earnings is part of the solution. But poorly coordinated interventions can undermine this broader goal.

This bill presents a strong cognitive dissonance. Last week, members of this body and hundreds of speakers were (rightfully!) testifying until midnight about how we need to increase the amount of affordable housing we build, reach households at lower incomes, and make affordable housing more competitive with market-rate development. Today, a different committee, with less fanfare and before a smaller audience, is entertaining legislation that would thwart those same objectives.

The City Council, through its Land Use Committee, is currently reviewing the City of Yes for Housing Opportunity proposal, which aims to dramatically increase the city’s capacity to build more housing, particularly affordable multifamily housing. A key element of that proposal is allowing apartment buildings that provide affordable housing to be larger than ones that do not. The idea is to make affordable housing more competitive vis-a-vis market-rate development, and therefore more likely to happen.

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This proposed legislation, Intro 910, would tilt the playing field back toward market-rate construction and away from our affordability goals. By making it more costly to build publicly subsidized affordable housing than privately financed market-rate housing, it would make market-rate construction more likely and reduce what the City can accomplish with the housing subsidies it makes available. In addition, the compliance burdens of the proposed regulations would create additional challenges for MWBEs and smaller builders.

Whether developed by a nonprofit or a for-profit entity, affordable housing is financed through the parsimonious use of finite public resources, including Low Income Housing Tax Credits and City capital. If the cost of construction increases, either the City must commit more of these resources to an individual project for it to happen, or the rents and income levels served in the project must increase to offset the costs. The result is less affordable housing, or housing that is less affordable.

This past year, when the State legislature authorized a new tax incentive for mixed-income housing, it exempted from wage requirements developments whose location suggested that there would not be sufficient market revenue to support increased construction costs. The legislation proposed today would impose those costs on buildings with no market revenue at all. Public subsidies for affordable housing would need to be redirected to cover these increased costs, and away from reducing the rent paid by low-income residents.

We urge the Council to reconsider an approach that would compromise the City's ability to address what we see as our most pressing issue – our housing affordability crisis.