

Testimony of Alicia Glen, Deputy Mayor for Housing & Economic Development
City Planning Commission
December 16, 2015

Good morning, Chair Weisbrod, members of the City Planning Commission, and the New York City residents who have come today to participate in building an affordable city. I am Alicia Glen, Deputy Mayor for Housing & Economic Development, and I thank all of you for offering and listening to testimony on such an important issue for our city's future.

While today's hearing focuses on two critical initiatives – Mandatory Inclusionary Housing and Zoning for Quality and Affordability – it's important that these initiatives are understood within the larger context of the Mayor's critical *Housing New York* plan to create and preserve 200,000 units of affordable housing.

Housing is the top expense for most New Yorkers. Whether you're a waiter, a healthcare attendant, or a firefighter, housing is fundamental to your life – housing affects your health, your physical and economic security, your education, your job trajectory – and ultimately your sense of possibility and optimism for the future. A healthy supply of affordable housing allows the diversity within and between our neighborhoods that has long been what makes New York City great – and that diversity fuels our long-term economic growth and competitiveness. We want to remain a city that longtime New Yorkers can stay in – from the cop who has spent his or her life in a neighborhood and anchors the community to an artist like Alicia Keys who was born and raised here and went on to sing one of our city's modern anthems. To do that, there is no more important work than securing housing that is affordable.

But we are in a crisis now where this fundamental building block for people is under real threat for millions of New Yorkers. We are literally in a "housing emergency," the Census Bureau has found, with an official citywide vacancy rate of under three and a half percent. Simply to keep up with population growth, we expect the city will need to add 160,000 units of market rate housing in addition to the 200,000 affordable units we will build or preserve under the *Housing New York* plan over the next decade.

That's a direct result of a drastically shrinking supply of affordable housing. New York has lost 250,000 rent-regulated units since decontrol began in 1994. This is especially tough for the City's families when rents and utility costs have risen while real wages have declined.

Our latest data shows that 56 percent of rental households are rent-burdened in New York City, spending more than 30 percent of their income on housing, and this has been getting worse over time. In fact, 33 percent are severely rent-burdened, spending over half of their income on housing. The affordability gap is tough not only for low-income households but also for our critical workforce, including our nurses and teachers and first responders. And all of this is made worse by growing income inequality in both the highest income and the lowest income neighborhoods.

With *Housing New York* we have already made great progress to date with a multi-pronged strategy. We doubled the capital budget for housing with a \$7.2 billion commitment that will leverage \$32 billion or more in private and other public investment, and we also added human capital so we could actually implement and execute the Plan. We broadened the affordability requirements when developers receive 421-a tax benefits. We are serving a wider range of New Yorkers than ever before, from households at the lowest incomes to middle class families whose housing needs are also not being met by private market development, as well as our most vulnerable populations, including the homeless, seniors, and individuals with disabilities. As we work to create and preserve affordable housing, we're also partnering with law enforcement agencies like never before to proactively prevent tenant harassment and go after landlords who practice harassment.

And to accomplish our development goals, we're making sure we're getting the best possible value for the public. We are scrutinizing deals and negotiating aggressively with developers to make sure we're getting every possible affordable unit we can, both in preservation, as in Stuy Town, and in new projects, as in Astoria Cove.

But alongside these efforts, we must add new tools to our toolbox to build new affordable housing. The two initiatives up for consideration before the Commission today – Mandatory Inclusionary Housing and Zoning for Quality and Affordability – will help us do this. Mandatory Inclusionary Housing guarantees permanently affordable housing when zoning changes

encourage more housing. Zoning for Quality and Affordability updates regulations so our housing money will go further to create more affordable housing and better buildings. These are citywide frameworks, but they have been crafted with the flexibility to meet the needs of our diverse communities, each of which is unique. You will hear more details about these initiatives throughout the day.

We are in a true housing crisis – and we can't just sit by and do nothing as market pressures change the city. We're doing everything we can, but we need the ability to do even more, to harness the strength of the market and the popularity of this amazing city. We now have a historic opportunity to take bold action and enact the strongest inclusionary housing requirements in the nation. I urge the City Planning Commission to adopt Mandatory Inclusionary Housing and Zoning for Quality and Affordability so we can keep our great city affordable. Thank you.