

**City Council Hearing on MIH (Tue. 2/9/16)**

**Testimony of Alicia Glen, Deputy Mayor for Housing & Economic Development**

Good morning, Subcommittee Chair Richards, Land Use Chair Greenfield, members of the committee, 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'm joined here by Vicki Been, Commissioner of the Department of Housing Preservation & Development, and Carl Weisbrod, Chair of the City Planning Commission. I thank all of you for offering and listening to testimony on such an important issue for our city's future.

While today's and tomorrow's hearings focus 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 housing – and housing that is affordable – promotes the diversity within and between our neighborhoods that has long been what makes New York City great and unique – 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.

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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 budget for housing with an \$8.2 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 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 prevent tenant harassment and go after landlords who practice harassment. We're providing \$76 million in funding for legal assistance for low-income renters. And we're offering assistance to preserve affordability in buildings that don't have regulatory agreements today and encouraging program extensions for existing affordable housing.

Our latest numbers show that we've made tremendous progress. The Mayor recently announced we've financed over 40,000 affordable apartments since taking office—putting us on track, on or quite frankly ahead of schedule, and on budget to deliver 200,000 units over the next 10 years. A little bit of historical perspective: the last time NYC saw as much affordable housing delivered as in 2015 was back in 1989—the peak of Ed Koch's housing plan, when he

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was rebuilding huge swaths of Harlem and the South Bronx. And the City has never, since HPD was founded in 1978, financed as much new affordable construction as we did last year.

We did it by jumpstarting new projects, by strategically going after preservation deals like StuyTown and Riverton that previously had gone overlooked by the public sector, and by revising our term sheet programs to demand more affordable housing for our tax dollars.

It's easy to get lost in the numbers, but we are moving mountains here. And all that effort translates into affordable housing for more than 100,000 people—a small city's worth, in just two years. The mayor said this was our top priority. We delivered.

Let's also keep in mind that this isn't just about adding residential density. We're making sure we align our capital budget with our land use strategy. A few of you probably remember that's how the City used to operate during the heyday of city building. We're getting back to that tradition. We're spending over \$1 billion of our city capital – what we're calling the Neighborhood Development Fund – for parks, health care facilities, street improvements, community centers, and other public amenities in those neighborhoods where we are planning with communities for increased capacity for mixed-income housing. We're also funding the School Construction Authority and the MTA to ensure that their 5-year capital plans align with the need to accommodate growth in these neighborhoods. These are the types of investments that support vibrant neighborhoods.

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 City Council today and tomorrow – Mandatory Inclusionary Housing (or MIH) and Zoning for Quality and Affordability (or ZQA) – will help us do this. MIH guarantees permanently affordable housing when zoning changes encourage more housing. ZQA updates regulations so our housing money will go further to create more affordable housing, particularly affordable senior housing, and better designed 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 today and tomorrow.

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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 Council to adopt Mandatory Inclusionary Housing and Zoning for Quality and Affordability so we can keep our great city affordable. Thank you.