

We, the co-chairs of Inwood Legal Action, applaud our governor for proposing a bold statewide housing plan that makes all local governments partners in the effort to address New York's affordable housing crisis. Our experience fighting for a more just rezoning in our Northern Manhattan community and advocating for New York City land use reform in the Racial Impact Study Coalition have shown us how much attention to detail and disclosure of meaningful data matter very much to communities faced with change due to planned development.

In New York State, we do not have a housing crisis that affects everyone equally. We have an affordable housing crisis, and in New York City, it is perpetuating transgenerational poverty and homelessness, inhibiting intergenerational wealth, and fueling the racial wealth gap. This can only be addressed by carefully targeting public financial and technical resources and developing equity-focused policies and programs.

The New Homes Targets and Fast-Track Approval Act uses a definition of affordable housing that is too broad, encompassing **any** income restricted housing subject to a regulatory agreement. It is likely that in many localities, housing that meets such a broad definition of affordability could really be too expensive for the people living in those areas who are most at-risk of displacement and homelessness, which can potentially increase income and racial segregation rather than reduce it.

In terms of affordability, there is a mismatch between supply and demand. In 2021, New York City had a glut of vacant high rent apartments: 12.64% of apartments offered at \$2,300 or higher were vacant and 4.09% of apartments offered at \$1,500 to \$2,299 were vacant. This contrasts with vacancy rates of 0.93% for apartments renting at \$900 - \$1,499, and 0.86% for apartments with asking rents below \$900. The median asking rent for units that were vacant and available to rent was \$2,750, which required a \$110,000 household income to be considered affordable, assuming the 30% standard. The 2021 median household income for New York City renters was \$50,000.¹

Further exacerbating this mismatch is the metric used to determine what dwelling units are considered affordable, the Area Median Income or AMI. This metric distorts the representation of income in New York City. For the New York City area, the 2022 AMI for a family of three is \$120,100, but well more than half of New York City's families have incomes below that level. Incomes at 100% AMI exceed both the median household and family incomes in New York City.

According to ANHD, the difference between AMI and actual New York City median income was more than \$26,000 in 2022, and has been growing for the last five years, due mostly to a "High Housing Cost Adjustment" (HHCA) used by the U.S. Department of HUD in its AMI calculations.² This large and growing disconnect between AMI and actual incomes means that

¹ <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>. See pages 26; 29; and 45.

² <https://anhd.org/report/new-york-citys-ami-problem-and-housing-we-actually-need>

housing that may be designated as affordable for households with incomes considered low (51-80% of AMI), very low (31-50% AMI) and extremely low (0-30% AMI) are actually far too expensive for real low, very low, and extremely low income families.

Now that New York State is pouring resources into a multi-year housing plan, it must correct these distortions by targeting housing to those with the greatest need. Indiscriminate spending of billions of dollars to develop high-rent housing will simply widen this mismatch of supply and demand, and increase the numbers of people sleeping on the streets, in train stations, in parks, or seeking temporary housing.

The anxiety over housing affordability is widespread. In the Community Service Society's 2022 Unheard Third survey, 46% of low-income and 41% of moderate to high income respondents believe that affordable housing would increase their potential to get ahead economically.³ New York's future depends on solving the housing affordability crisis, in terms of housing supply and costs to occupants. What no one needs is more vacant high-rent apartments.

Our detailed suggestions on the Housing Compact are as follows:

1. In the Housing Compact proposals, wherever Area Median Income (AMI) is used as a standard, substitute "Local Median Income." In New York City, that would apply to community districts. In other localities, that could apply to the smallest statistical area for which median income is available from the American Community Survey. If this cannot be done, ensure that households with incomes at or below 30% AMI are prioritized for new housing opportunities.
2. When calculating the number of residential dwelling units eligible toward housing production goals, prioritize New Yorkers with the greatest needs – those with very low and lower household incomes and those who are homeless. Consider counting units as two eligible units only if the units are allocated for households with incomes at or below 30% AMI and no bonus or other tax abatement or tax incentive for units for higher income households. This might catalyze the construction of deeply affordable housing statewide.
3. We support the legalization of accessory dwelling units, and we would like to see the housing production reporting requirements include a systematic inventory of accessory dwelling units statewide, with information about the physical conditions of those units. That information could be used to develop rational health and safety standards for accessory dwelling units, which all tenants deserve.
4. We are concerned about the implementation of housing production targets and recommend language to be added that incentivizes equal participation within a locality. What mechanisms will ensure that all New York City community districts participate? What protections or incentives exist to inhibit localities from exacerbating income and

³ https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/Good_Cause_for_Alarm_V3.pdf. See page 5.

racial segregation? Language should be added to the Housing Compact that will assure such mechanisms, protections, and incentives are included.

5. Public input on proposed land use action is not the reason why affordable housing isn't being built. The public's participation in the development of communities is a truly democratic feature of land use policy. While the New Homes Targets and Fast-Track Approval Act proposes to give localities leeway to decide how to meet housing growth targets or whether to enact preferred land use actions, there is no mention of community engagement. We urge language to be added to require, or at least encourage, engaging community members in making those decisions.
6. We further urge that language be added to explicitly clarify that nothing in the bill is intended to eliminate local community roles in reviewing development projects should localities enact the preferred actions "remove exclusionary measures," "smart growth rezonings," and "adaptive reuse rezonings." As currently written, it is not clear when New York State or New York City environmental review would ever be required should any of those three preferred actions be enacted.
7. In the local reporting requirements on housing production, consider adding in new indicators that make clear how the projects are affirmatively furthering fair housing, such as those required in the racial equity reports in New York City's Local Law 78 of 2021. This could include a displacement risk index, disaggregated by race and ethnicity; demographic and economic characteristics of the community affected by the proposed development; and more. These kinds of indicators will help policymakers to evaluate whether New York State policy is materially advancing housing opportunities for the most vulnerable, including racial and ethnic minorities and low income people.

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