

Testimony of Deyanira Del Rio, Co-Director at New Economy Project

Before the New York State Senate Finance Committee and New York State Assembly
Ways and Means Committee.

Joint Legislative Hearing Schedule on Housing and the Fiscal Year (FY) 2023-24
Executive Budget Proposal.

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Chairs Krueger and Weinstein and committee members, thank you for the opportunity to testify at today's hearing on behalf of New Economy Project, a New York City-based economic justice organization. New Economy Project's mission is to build an economy that works for all, based on cooperation, equity, social and racial justice, and ecological sustainability. For more than 25 years, we have worked closely with community groups across New York City and State to address inequities in our financial system and economy that perpetuate poverty, segregation, and inequality.

New Economy Project co-founded and co-convenes the NYC Community Land Initiative, a coalition of more than two dozen housing and social justice organizations advocating for community land trusts (CLTs) to preserve and create deeply affordable housing and stabilize neighborhoods. We are also founding members of the NYS Community Equity Agenda, a coalition of nearly 50 organizations working to advance a vision of economic development in our state that is grounded in principles of racial justice and community wealth-building. And we coordinate the Public Bank NYC coalition, which is organizing to bring public banking to New York, as a way to invest in local economic development, including affordable housing.

To meet New York's housing crisis head on, we urge Governor Hochul and the NYS Legislature to embrace policies that will empower tenants to collectively take control of their homes and create permanently-affordable housing that stabilizes communities. In today's testimony, we will highlight three such proposals that must be included in this year's budget:

Enact the Tenant Opportunity to Purchase Act (A3352/S221) and allocate funding of \$250 million a year for five years, to dramatically expand New York's permanently-affordable housing stock, in high-cost markets like New York City and the Hudson Valley as well as cities like Rochester and Albany. TOPA would give tenants the first opportunity to collectively purchase rental buildings up for sale, empowering New Yorkers to take control of their homes and create permanently affordable housing that stabilizes communities. TOPA will make it easier for non-profit mission-driven developers, including CLTs, to acquire and preserve buildings and expand the stock of permanently affordable housing in gentrifying neighborhoods.

Allocate \$50 million a year for five years to a new Community Land Trust Acquisition Fund (S2506). This funding will enable CLTs across the state to acquire and develop housing for New Yorkers in greatest need, including low-income tenants and homeowners at risk of

eviction and foreclosure. The Fund should support an array of social housing models that CLTs are pursuing to meet local community needs and foster tenant and community control – including mutual rental housing and shared-equity homeownership.

Adopt the New York Public Banking Act (S1754/A3352) to help finance the creation and rehabilitation of tens of thousands of units of affordable housing statewide. The New York Public Banking Act creates a safe and appropriate regulatory framework and provides consistent statewide guidance for New York cities, counties, and regions seeking to establish public banks. Local public banks can dramatically expand affordable housing in New York by channeling needed capital to nonprofit housing developers, community land trusts (CLTs), and other affordable housing providers. Furthermore, public banks would partner with mission-driven community development financial institutions (CDFIs) to significantly increase lending for social housing, through participation loans and by making secondary capital equity investments in CDFI credit unions. Public banks can also become major buyers of shorter-maturity bonds issued by the NYS Housing Finance Agency, New York City Housing Development Corporation, local and county land banks, and other bonding authorities. In doing so, public banks will lower the cost of borrowing for local governments and recapture interest payments currently extracted by Wall Street investors. Bond yields will grow the public bank's capital base and, in turn, further expand its affordable housing financing.

Thank you again for the opportunity to testify today.