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Written testimony for the 2023 joint legislative budget hearing on housing.

My name is Alex Armlovich, Senior Housing Policy Analyst at the Niskanen Center, a nonpartisan think tank promoting an open society with strong markets and a robust welfare state. Though I remotely lead a Washington, DC-based housing policy team, I am a lifelong Empire Stater, originally from the southtowns of Buffalo, a graduate of the University of Rochester, and now a homeowner in Queens. My team is part of the NY Neighbors coalition.

I first want to praise all pro-housing legislators and Governor Hochul. Before the State of the State, I [wrote about the scale of growth control reform needed](#) to end the housing crisis. Skeptical that New York's leaders were prepared to address the crisis that has steadily metastasized since the 1961 downzoning capped New York City's future population, I said we need to wait and see details.

The details are in: New York's Housing Compact is a marvel of land use liberalization. The Transit-Oriented Development (TOD) provision, in particular, would leapfrog New York to the vanguard of housing reform. For all the progress California, the current reform leader, has made in improving its oversight of locally controlled zoning, they have not yet achieved TOD legalization on Governor Hochul's proposed scale. It's not inconceivable that New York could lead the nation on TOD: We have the best transit. Per the FTA's annual ridership data, roughly three quarters of all heavy rail trips in the United States take place in the New York metro area.

Though New York's transit leads the nation, the MTA's finances are dire. Albany and City Hall can stabilize the near term with subsidies and political support for MTA leadership to pursue [operating reform](#). But if ridership doesn't fully recover over the next decade, the MTA will be back in Albany requesting billion-dollar bailouts again and again.

What New Yorkers too often forget about the MTA is that *land use regulators control the 10-year ridership outlook*. Land use regulators decide how many people are allowed to live within walking distance (½ mile) of the trains in the long term, and therefore how many people are apt to ride them. As I [wrote for the Daily News last year](#), hybrid work can be an infrastructure windfall to New York if policymakers take advantage of its newly-unlocked infrastructure capacity. **Far from growth overburdening New York's infrastructure, growth is the best way to prevent the collapse of the MTA and keep services strong for existing New Yorkers.**

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It is in your power to fill the trains, towers, shops, and sidewalks of Greater New York back up—because you control the laws that make it illegal, or not, for people to move here into a new vacant home, instead of buying out an existing homeowner or evicting an existing renter.

Most importantly for decarbonization and for traffic, policymakers can direct growth near transit downstate. Focusing growth on transit would seek to replicate the “Arlington Miracle”, when Arlington, Virginia [reduced total vehicle miles of traffic](#), falling to 1980s levels by 2015, after it permitted tens of thousands of apartments and new walkable shops along their Orange Line corridor. Imagine a Long Island and a Westchester where traffic goes *down*. It’s possible because more of most people’s origins and destinations would be concentrated on, between, and in walking distance of the MTA’s network—and because new corridors of traditional “Main Street” railroad town gentle density and window-shopping neighborhood retail will be within walking or biking distance of home (or at the very least, a shorter drive or bus ride).

There are some technical details to refine to ensure the Housing Compact achieves and enforces its goals in a timely and efficient fashion. But if it is implemented according to the Compact’s current intent, it promises to substantially slow, and perhaps even reverse, New York’s net domestic outmigration. 10 years from now we could read trend pieces about people moving to New York for the high wages and well-funded public services, not allegedly fleeing for sunshine and tax evasion. **New York remains a magnet for young people and for talent—if we would just build enough to let them move here without displacing others.**

Other parts of government value growth: New York and its constituent entities spend some [\\$10 billion annually on economic development growth subsidies](#)—yet on the land use planning side of our governments, growth is tightly capped. It just doesn’t make any sense. Even in cities like Buffalo, where leaders know too well the devastating costs of a downward spiral of population loss, it took a half-decade of zoning fights and litigation for Buffalo to legalize one of its first-ever full-service grocery stores downtown with mixed-use apartments on Ellicott Street. Grocery stores with apartments near transit should never have been illegal in the first place, in any city, let alone in a city that has lost half its population since 1950.

Governor Hochul is the first governor since the 1960s rise of modern growth controls to dare to ask if the fact that new homes are generally illegal near transit and good jobs has anything to do with New York’s population losses. **Housing is a complicated topic, but I can assure you of this: Houses have to exist before people can live in them, and “decriminalizing” the construction of new housing is the only way to get more housing of any kind, market or non-market.**

Anti-housing advocates may allege that eliminating the laws that ban new housing will somehow not result in new housing. I advise you to take them on a walking tour of Long Island City, Queens, to assess the

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plausibility of that argument in one of the few neighborhoods of NYC that has substantially relaxed growth controls on some 30,000 built or planned units.

That leaves only one question: “New housing for whom?”. It’s true that no one neighborhood or small suburban city can build its way out of the regional housing crisis alone—and if it tries, unilaterally, it may be swamped by high-end development seeking the one available outlet for the entire tristate region’s vast backlogged demand for housing. Long Island City’s towers can still soak up thousands of high-income professionals who otherwise would have flipped multifamily walkups in neighboring Sunnyside into single-family townhouses, slowing gentrification somewhat. But LIC’s 30,000 units alone, though locally transformative, still cannot make a region-wide dent in our 20 million-person region’s crisis.

That’s why the Compact’s statewide approach to add state oversight and growth mandates to locally controlled land use is so important. I, Alex Armlovich, cannot personally build our way out of the housing crisis alone. LIC can’t build our way out. Queens cannot build our way out. NYC *might* not build its way out alone, though it could make a huge dent. But [Greater New York’s 23 counties absolutely can build our way out of the housing crisis](#). New Jersey is already ahead, carrying New York’s weight on new housing, as the Governor and the Citizens Budget Commission have pointed out repeatedly. We are the laggards.

Unlike past local-only approaches to zoning reform, the Housing Compact is not a narrow, one-off rezoning of an individual neighborhood to transform that one neighborhood (even as it’s just a drop in the regional bucket). The Housing Compact provides enough new zoning capacity to more than saturate the luxury market and attract developers to classic middle-income market rate buildings for the first time in decades.

Building housing at the Housing Compact’s scale *will* mean rents finally start coming down across the region, even as the trains fill back up. And it will open up apartment slots for Section 8 vouchers, and development sites for the vast portfolio of other federal, state, and local income-restricted housing programs. We must not forget that income-restricted housing is bound by zoning, too, and needs the Compact’s reforms if subsidy dollars are to become units.

The future of New York’s population and tax base, the survival of the MTA, and the housing cost burden and general welfare of New York’s housed and unhoused residents—all of it is in your hands. The Compact has the right policy tools for the job. I urge you to choose wisely.

Sincerely,

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The Niskanen Center is a 501(c)3 issue advocacy organization that works to change public policy through direct engagement in the policymaking process.

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