

**Testimony to the New York State Assembly Standing Committee on Housing and on Real Property Taxation for the purpose of discussing strategies that enhance access to affordable housing for working New York families**

**Brooklyn Borough President Marty Markowitz**

**Thursday, June 8, 2006**

Thank you Chairpersons Lopez and Galef and members of the State Assembly Standing Committees on Housing and on Real Property Taxation for allowing me to present my remarks and recommendations as you explore strategies to enhance access to affordable housing for working New York families.

Like myself, there are few in government that have had such a long history of fighting to preserve and expand the affordable housing stock than Chairman Vito Lopez. It is well known that you, Chairman Lopez, are an exemplary leader that has consistently delivered affordable housing for Brooklynites. With you at the helm of the Democratic Leadership of Kings County, I look forward to a continuum of great achievements. Nobody has been a more enthusiastic supporter of the agenda for affordable housing. I commend you on your extraordinary efforts on behalf of the working families of Brooklyn. Today is just one more milestone of this legacy.

Chairwoman Galef, though representing communities of northern Westchester and Putnam counties, has an urban center of Peekskill which shares the challenge of providing housing for those with less means. She is a proponent of fair and sound tax policy.

The affordability of decent housing is a crisis felt in Brooklyn and throughout the city as market rents climb beyond the financial capability of our residents. And this includes a significant population of elderly that unfortunately lives, too often, under threat that everything they have strived for could be whisked away in their golden years. In fact this week's papers share stories of razor thin vacancy rates with market-rate apartments climbing in some cases 15% when leases expire. Other articles disclose the loss of rentals to condominium conversions putting more pressure on families competing for the few units available to be rented.

The typical situation is that the 421-a tax abatement is being utilized for the production of luxury housing that will, unfortunately, have way too few occupants from Brooklyn. As more and more people cross the river to the promised land of Brooklyn, communities throughout the borough are witnessing rents that continue to climb as thousands of the apartments are becoming unregulated. Many of our long-time residents, whose devotion to Brooklyn has inspired them to stay, lending the fruits of love and labor, turned around neighborhoods once viewed as declining communities, into vibrant ones. Now, despite their contributions through sweat-equity and neighborhood advocacy that created this celebrated renaissance of Brooklyn -- these residents are at risk of being forced to move from Brooklyn because they lack the ability to pay top dollar to share in this renaissance.

I have always been a passionate life-long advocate for decent, affordable housing. As a Brooklynite, I am not shy about discussing new initiatives and adding a few of my own ideas to get us to the promised land, where our residents can look forward to spending their golden years in place, in their homes, without fear of displacement or having to make

compromises in their lifestyle to remain in Brooklyn and elsewhere in New York City. I urge that no stone be left unturned in finding the means to ensure that Brooklyn is not a place that residents leave because they cannot afford housing while maintaining a modest quality-of-life. We must achieve housing justice by seeing to it that Brooklyn remains a haven for the broadest range of incomes and household diversity. This city is known for its income and ethnic diversity. In Brooklyn, I see thriving communities where residents celebrate such diversity. All this distinguishes Brooklyn and the City from elsewhere in middle America.

It was during the Park Slope rezoning that I first called for using inclusionary zoning as a tool to provide affordable housing opportunities where it pertained to Fourth Avenue. Since that did not occur, during the Downtown Brooklyn rezoning process, I tried another approach. I called for linking residential development through the urban renewal plan to require affordable housing. While not a direct success, a substantial amount of affordable housing will soon rise along Myrtle Avenue.

With a prominent role played by Chairman Lopez, our collective call resulted in a minimum guarantee of 30 percent of units to be affordable from Greenpoint and Williamsburg zoning. In order to leverage affordable housing in waterfront developments as part of the rezoning, I called for establishing a 421-a exclusion zone in Brooklyn for the waterfront sites. Chairman Lopez embellished this principle through legislation mandating that this affordable housing be built predominantly on site. The Bloomberg Administration did its part too by launching a new wave of providing permanent affordable housing through zoning bonus incentives for developers to build bigger buildings while also offering city financing.

Before I add my two cents on 421-a, I want to take a moment to commend the Bloomberg Administration for the innovative initiatives of the Department of Housing Preservation and Development. Under the leadership of Commissioner Shaun Donovan, affordable housing units are being preserved and created at a pace not seen in decades. We have the opportunity to build on that momentum. I also applaud the Mayor for recognizing that there are problems with the 421-a program and creating a task force to make recommendations for improvements.

We can proceed simultaneously with reforming 421-a while pushing for this affordable housing zoning bonus incentive to be extended throughout Brooklyn and elsewhere in the city. Just last month, I expressed to Planning Commissioner Chair Amanda Burden, that City Planning must establish more areas for its inclusionary housing bonus in neighborhoods such as Downtown Brooklyn, DUMBO and Park Slope's Fourth Avenue corridor, that are experiencing super-heated market-driven luxury development. Unfortunately, in those areas, much of the developments taking place are our poster children for what is wrong with the program. I think that all of us agree that this is the time to reexamine the 421-a program.

While many of today's speakers may focus on new construction, we must strive for a parallel track that addresses the possible use of tax abatements to preserve our existing affordable housing stock. I urge the crafting of legislation that would allow 421-a type benefits for existing buildings if the units remain in Mitchell-Lama or rent stabilized housing for the duration of the abatement -- but not less than 15 years.

We must make the qualifying affordable units available to the broadest range of low to moderate and middle income families. It is these families that are the lifeblood of this City.

I urge that there be ample flexibility in the definition of affordable in order to allow opportunities for low, moderate and middle income families. If legislation does not adequately provide for our city workforce, including teachers and uniformed workers from the ranks of the Boldest, the Finest, the Bravest and the Strongest, then we have not done enough.

I absolutely support Assembly Bill 10912. It will ensure the provision of units on site whenever possible. I commend this legislation mandating that living wages be paid to our dedicated building service workers employed in the large multi-dwelling apartment houses where the wealth generated by such developments can be appropriately shared.

There will also be circumstances where developers would not opt for our new world of 421-a. Therefore, I am calling for the creation of a New York City Affordable Housing Trust Fund. Such a fund could be the beneficiary of up front or ongoing financial obligations of property developers or subsequent owners where the development does not result in affordable housing.

In order for the city that we love to be able to persevere, affluence can not be a factor in determining whether our residents can have opportunities to live without an overly compromised lifestyle. For those areas that are absorbing development, we must do what we can for the residents who have contributed with their sweat-equity to make our communities livable for themselves and their loved ones. I share great remorse for those who worked so hard at sustaining their neighborhoods -- only to become victims of ever increasing real estate demands. We need to do even more to provide new affordable housing opportunities if we are to preserve heritage, income and age diversity. It must be our mandate to prevent New York City families to be rent poor to a point where they have to find more affordable housing outside of the City. I am sure that you share my view that a city of only the affluent and the poor is not my vision of a healthy city.

As just one of the leaders in the affordable housing movement, I recognize the influence of committees where innovative minds and unwavering advocates are brought together for noble causes such as providing decent affordable housing for working New York families.

Thank you for chairing this meeting and for the opportunity to express my views.