

**BROOKLYN BOROUGH PRESIDENT MARTY MARKOWITZ TESTIMONY  
TO THE NEW YORK CITY COUNCIL'S HOUSING AND BUILDINGS COMMITTEE  
DECEMBER 11, 2006  
CITY COUNCIL CHAMBERS, CITY HALL**

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I WANT TO BEGIN BY THANKING THE CITY COUNCIL HOUSING AND BUILDINGS COMMITTEE AND CHAIRMAN DILAN FOR INVITING ME TO ADDRESS WHAT CONTINUES TO BE THE MOST CRITICAL ISSUE IN BROOKLYN: AFFORDABLE HOUSING.

I COMMEND MAYOR BLOOMBERG FOR GIVING THE ISSUE OF 421-A VERY SPECIAL ATTENTION AS PART OF HIS BROAD AND AMBITIOUS PLAN TO INCREASE ECONOMIC DEVELOPMENT AND AFFORDABLE HOUSING IN EVERY CORNER OF BROOKLYN AND ALL FIVE BOROUGHES — AND I WANT TO THANK SPEAKER CHRISTINE QUINN FOR HER WORK ON EXPANDING UPON THE INITIAL PROPOSAL TO INCLUDE EVEN MORE OF OUR CITY'S NEIGHBORHOODS.

THE LACK OF HOUSING PRODUCTION, AND THE HIGH COST OF HOUSING, NEGATIVELY AFFECTS US ALL, NO MATTER OUR INCOME OR AGE, WHETHER WE RENT OR OWN, OR WHETHER WE LIVE ALONE OR WITH OTHERS. HOWEVER, THE LACK OF AFFORDABLE HOUSING HAS MOST DRASTICALLY AFFECTED THE CITY'S LOW AND MODERATE INCOME RESIDENTS, INCLUDING THE CITY EMPLOYEES ON WHOM WE DEPEND FOR ESSENTIAL SERVICES, AND THE MANY WORKERS EARNING AT OR NEAR THE MINIMUM WAGE. TODAY, PEOPLE ARE NOT LEAVING BROOKLYN AND NEW YORK CITY AS THEY ONCE DID, SEEKING A BETTER LIFE — THEY ARE LEAVING BECAUSE THEY CAN'T AFFORD THE GOOD LIFE WE HAVE HERE.

MANY RESIDENTS CAN NO LONGER AFFORD TO LIVE IN THE NEIGHBORHOODS WHERE THEY GREW UP. FURTHERMORE, BROOKLYN'S HOUSING DEVELOPMENT HAS NOT KEPT PACE WITH OUR POPULATION GROWTH — AND IN THE DAYS AHEAD, WE KNOW THAT WE NEED TO PLAN FOR A POPULATION INCREASE IN THE NEXT TWENTY YEARS OF 300,000 — THE SIZE OF AN ENTIRE CITY THE SIZE OF BUFFALO.

AFFORDABLE HOUSING FOR ALL BROOKLYNITES IS MY FOREMOST PRIORITY AND THAT MEANS FACILITATING THE CONSTRUCTION OF HOUSING THAT WILL PRESERVE THE ETHNIC AND INCOME DIVERSITY THAT DEFINES US AS A BOROUGH AND A CITY.

AS PART OF A LARGER AFFORDABLE HOUSING STRATEGY, I BELIEVE THAT 421-A REAL ESTATE TAX PROVISIONS PROVIDE AN OPPORTUNITY TO LEVERAGE PRODUCTION OF MORE AFFORDABLE HOUSING UNITS. THE QUESTION AT HAND IS HOW TO BEST ACHIEVE THAT OUTCOME — TO GET THE AFFORDABLE UNITS BUILT THAT OUR HARD-WORKING RESIDENTS SO RICHLY DESERVE.

FOR AREAS WHERE EXCLUSION ZONES WOULD BE INTRODUCED, THE GUARANTEE THAT I SEEK IS TO BE SURE THAT DEVELOPMENT IN THESE NEIGHBORHOODS WOULD PROVIDE FOR AFFORDABLE HOUSING. ALONG THOSE LINES, I AM NOT CONVINCED THAT THE OFFER TO PROVIDE THE 421-A BENEFIT IN AND OF ITSELF IS ENOUGH OF AN INCENTIVE FOR DEVELOPERS TO FORFEIT TWENTY PERCENT OF WHAT WOULD BE MARKET RATE UNITS FOR AFFORDABLE UNITS.

GETTING UNITS BUILT OFTEN REQUIRES A CREATIVE COMBINATION OF VARIOUS INCENTIVES. IN BROOKLYN WE HAVE SEEN PROOF THAT THIS APPROACH WORKS. A GREAT EXAMPLE IS WHAT IS HAPPENING NOW IN GREENPOINT AND WILLIAMSBURG.

IN 2004, STANDING TOGETHER WITH CITY COUNCIL MEMBERS YASSKY AND REYNA AND ASSEMBLYMEMBERS LENTOL AND LOPEZ, WE INSISTED UPON A GUARANTEE THAT SUBSTANTIAL AFFORDABLE HOUSING WOULD RESULT IF AND WHEN SECTIONS OF GREENPOINT AND WILLIAMSBURG WERE REZONED FOR RESIDENTIAL HIGH-RISES.

IN THAT INSTANCE, THE CITY INITIALLY OFFERED AN AFFORDABLE HOUSING ZONING BONUS — AND I CALLED FOR COMBINING THAT BONUS WITH A 421-A EXCLUSION ZONE — WITHOLDING THE 421-A BENEFIT UNLESS THE DEVELOPERS PROVIDED AFFORDABLE UNITS — A STRATEGY WHICH HAD NOT YET BEEN USED IN BROOKLYN. LEGISLATION CHAMPIONED BY ASSEMBLY MEMBER LOPEZ ENSURED THAT MOST OF THE AFFORDABLE HOUSING WOULD BE BUILT ON SITE. AND THE EARMARKING OF CITY-OWNED SITES IN THE COMMUNITY FOR LARGELY AFFORDABLE HOUSING DEVELOPMENT PROVIDED ANOTHER SIGNIFICANT SHARE OF THE OVERALL GUARANTEE. BECAUSE OF THAT COMBINATION OF INCENTIVES — NOW GREENPOINT-WILLIAMSBURG CAN LOOK FORWARD TO AT LEAST FIVE HUNDRED TO SIX HUNDRED UNITS OF AFFORDABLE HOUSING IN THE NEXT FEW YEARS — WITH MORE TO COME.

I AGREE WITH THE SPEAKER THAT HAVING HUNDREDS OF MILLIONS OF DOLLARS IN A DEDICATED AFFORDABLE HOUSING FUND IS A MEANS OF GUARANTEEING THE DEVELOPMENT OF AFFORDABLE HOUSING IN THE CITY'S 15 LEAST AFFLUENT NEIGHBORHOODS. IF USED IN AREAS WHERE 421-A IS ATTACHED TO AFFORDABLE HOUSING, THIS FUND WOULD BE A POWERFUL TOOL TO ASSURE THAT ANY DEVELOPMENT IN THAT AREA WOULD BE AFFORDABLE.

BY THE WAY, I BELIEVE IT WOULD BE BEST TO TARGET SUCH HOUSING FUNDS TO PROJECTS THAT LIMIT HOUSEHOLD INCOMES TO SIXTY PERCENT OF THE FEDERAL STANDARDS TO PROVIDE OPPORTUNITIES TO FAMILIES EARNING LESS THAN \$35 THOUSAND DOLLARS.

SUCH HOUSEHOLDS AND FAMILIES LIVING IN NEIGHBORHOODS JUST OUTSIDE THE SPEAKER'S EXCLUSION ZONES ARE ALSO VULNERABLE TO DISPLACEMENT HOWEVER, DUE TO THE FACT THAT THESE NEIGHBORHOODS ARE ALREADY UNDER PRESSURE FROM LUXURY DEVELOPERS. IN ORDER TO PROTECT THEM, I BELIEVE THE EXCLUSION ZONES NEED TO BE EXTENDED.

AT MINIMUM, THE EXCLUSION ZONES SHOULD EXTEND EASTWARD THROUGHOUT BUSHWICK TO THE COUNTY LINE —AND FOR FORT GREENE, CLINTON HILL, BEDFORD-STUYVESANT AND CROWN HEIGHTS, THE EXCLUSION ZONE SHOULD BE EXTENDED NORTH TO PARK AVENUE AND EAST TO INCLUDE BOTH SIDES OF NOSTRAND AVENUE.

OF COURSE, WHEN WE THINK ABOUT THOSE IN GREATEST NEED OF AFFORDABLE HOUSING — WE MUST NOT FORGET THE HOUSING CRISIS AFFECTING OUR TEACHERS, FIREFIGHTERS, POLICE OFFICERS AND OTHER HARD-WORKING MIDDLE-INCOME NEW YORKERS WHO ARE ALSO FINDING IT IMPOSSIBLE TO LIVE AND RAISE FAMILIES IN THE CITY. WHILE THE NEW PROPOSAL CAN LEVERAGE AFFORDABLE HOUSING FOR LOW AND MODERATE INCOME NEW YORKERS, EVEN TWO INCOME HOUSEHOLDS HEADED BY THOSE EARNING MIDDLE-CLASS INCOMES ARE STRUGGLING TO AFFORD THE MARKET RATE HOUSING. EVEN WITH THE RECENT PAY RAISE FOR NEW YORK CITY ELECTED OFFICIALS, AT A SALARY OF A BOROUGH PRESIDENT, MY WIFE AND I CONTINUE TO SEARCH FOR HOME OWNERSHIP OPPORTUNITIES AND HAVE SO FAR BEEN UNSUCCESSFUL BECAUSE IT SEEMS LIKE EVERYTHING BEING BUILT IS BEYOND MY MEANS.

LET'S FACE IT — IT IS CRUCIAL THAT WE DO NOT LET NEW YORK BECOME A CITY OF ONLY THE VERY RICH AND THE VERY POOR. THEREFORE, WE SHOULD CONTINUE TO EXPLORE POSSIBILITIES TO MAKE CHANGES TO 421-A LEGISLATION THAT BENEFIT THE MIDDLE-CLASS AS WELL. AS THE 421-A MODIFICATIONS ARE PROPOSED, THE CITY'S "NEW-HOP" AND "COOPERATIVE" MIDDLE-INCOME FINANCING PROGRAMS DO NOT APPEAR TO QUALIFY IN EXCLUSION ZONES — THEREFORE WE SHOULD ALSO BE LOOKING AT WAYS OUTSIDE THE EXCLUSION ZONE TO ENCOURAGE DEVELOPMENT ACCORDING TO THESE MIDDLE-INCOME TARGETED PROGRAMS.

IN CLOSING, I AGREE WITH THE IDEA OF ASSESSING THE BILL EVERY TWO YEARS — HOWEVER, THE PROCEDURE FOR CHANGE SHOULD ALSO ALLOW FOR THE CITY COUNCIL TO ADDRESS EMERGENCIES. FOR EXAMPLE, IF STARRETT CITY WERE TO OPT OUT OF THE MITCHELL-LAMA PROGRAM, TO ME, THAT WOULD

WARRANT IMMEDIATE CONSIDERATION. THE LONG TERM EXISTENCE OF WELL OVER 5,000 AFFORDABLE HOUSING UNITS WOULD BE PLACED AT RISK WHILE THE OWNER WOULD HAVE POSSIBLY SEVERAL HUNDRED THOUSAND SQUARE FEET OF AVAILABLE DEVELOPMENT RIGHTS TO FURTHER PROFIT FROM. I CERTAINLY WOULD NOT WANT 421-A BENEFITS TO AID IN THE LONG-TERM DEVASTATION OF STARRETT CITY'S VAST AMOUNT OF AFFORDABLE HOUSING, INCLUDING THOUSANDS OF UNITS FOR STRUGGLING RESIDENTS. I ASK THAT YOU PLEASE GIVE THIS SITUATION SOME SERIOUS CONSIDERATION.

DECENT AFFORDABLE HOUSING IS A BASIC REQUIREMENT OF A GOOD LIFE. WE MUST BRING AS MANY TOOLS AS POSSIBLE INTO THE ARSENAL OF THE MAYOR'S HOUSING AGENDA. TODAY'S HEARING IS THE NEXT STEP TOWARDS STRENGTHENING THE CITY'S ABILITY TO ACHIEVE A GREAT AND PROSPEROUS TOMORROW WITH ADEQUATE HOUSING FOR RESIDENTS AT ALL INCOMES.

I STAND READY TO WORK WITH THE MAYOR, THE CITY COUNCIL AND OUR COLLEAGUES IN ALBANY TO ACHIEVE THIS GOAL.