



The Community Preservation Corporation

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New York City Council Preliminary Budget Hearing Housing and Buildings Committee, March 15, 2023

Testimony on behalf of The Community Preservation Corporation

This testimony is submitted on behalf of The Community Preservation Corporation (CPC), a nonprofit affordable housing and community revitalization company that was formed in the early 1970s to help New York City and State restore and rebuild communities that had been devastated by deterioration and abandonment.

Today, CPC uses its unique expertise in housing finance and public policy to expand access to housing and drive down the costs of affordable housing production, advance diversity and equity within the affordable housing development industry, and address the effects of climate change in our communities through the financing of sustainable housing. Since our founding, CPC has invested over \$14 billion to finance the creation and preservation of more than 225,000 units of housing through our lending and investing platforms. As a long-term lender to HPD, we are a strong partner in the City's efforts to tackle some of the most pressing problems facing communities today. CPC is also an equity partner in the PACT Renaissance Collaborative, the team selected by NYCHA to renovate and preserve 16 NYCHA properties located in Manhattan. As an affordable housing lender with a significant footprint in New York City, CPC can provide insight on housing financing and feasibility to help the City Council fully address the City's housing crisis.

The work undertaken by New York City's Department of Housing Preservation and Development has been and continues to be critically important to New York City. CPC supports the Mayor's proposed capital budget for HPD of \$1.653B. While we recognize and support the Mayor's commitment to increasing efficiency across government, we appreciate the limited staffing cuts directed at HPD. The city must prioritize the hiring and retention of housing staff to ensure the smooth implementation of programs and the efficient construction of homes.

We also applaud the Mayor's financial commitment to implementing the "Housing our Neighbors" and the Get Stuff Built plans, especially the new needs funding committed to the HomeFirst program for down payment assistance to low-income households buying their first home, the implementation of HomeFix 2.0 to provide homeowners unable to get traditional home repair financing with alternative funding mechanisms to make urgent maintenance and repairs, and the multiple efforts to streamline processes and approvals across agencies. We urge the City Council to support the funding for the Department of Housing Preservation and Development included in the Governor's Preliminary Budget.

In partnership with the Mayor's agenda, we would also encourage the City Council to partner with State agencies and elected officials to support Governor Hochul's New York Housing Compact, a bold funding and legislative plan to increase New York State's housing supply by 800,000 units over the next decade. The tools proposed by the Governor's Compact and Executive Budget will mobilize statewide action and expand the menu of options available for development in New York City, notably expanded eligibility for conversions of office buildings to residential, extending the completion deadline for vested 421-a projects, and a reimagined tax incentive for multifamily rehabilitation. Reinstating a modernized rehab tax incentive would support owners of aging affordable housing in updating and modernizing their buildings, providing a much needed solution to the issues of housing quality, affordability, and energy efficiency. We applaud this administration's alignment and coordination with their partners in Albany, and encourage the City Council to be equally vocal supporters.