



The Community Preservation Corporation

220 East 42nd St, 16th Floor
New York, New York 10017

New York City Council Subcommittee on Zoning and Franchises

Public Hearing on City of Yes for Housing Opportunity | October 22, 2024

Thank you, Chair Riley, and members of the Subcommittee on Zoning and Franchises. My name is Emily Klein, and I am the Assistant Vice President for Policy and Government Affairs at the Community Preservation Corporation (CPC), a nonprofit community development finance institution (CDFI) formed in the early 1970s to help New York City and State restore and rebuild communities that had been devastated by deterioration and abandonment. As a fifty-year-old affordable housing lender with a significant footprint in New York City, CPC is honored to provide testimony today in support of City of Yes for Housing Opportunity and urge this Subcommittee to support these critical zoning reforms that will allow for the creation of a little more housing in every neighborhood.

It is well known and widely accepted that New York City is experiencing a housing crisis, and we are in a critical moment to respond. The 2023 Housing Vacancy Survey (HVS) found a rental vacancy rate of only 1.4%, the lowest this measurement has been since 1968. The HVS also found that nearly all low-income New Yorkers are rent burdened – 81% of households earning less than \$50,000 without rental assistance were rent burdened, paying more than 30% of their monthly income on rent. The picture is even more dire for extremely low-income New Yorkers – 86% of households making less than \$25,000 without rental assistance were extremely rent burdened, spending over 50% of their income on rent. Even for those without rent burden, the current housing market dictated by the City's zoning code limits their ability to grow their families, age in place, and access jobs, transit, goods, and services. An overly tight housing market necessitates the construction of more housing – yet the combination of New York City's outdated and overly complicated zoning regulations with entrenched exclusionary practices and NIMBY sentiment has led to insufficient development siloed only to certain neighborhoods. According to the New York Housing Conference, in 2023 ten Community Districts



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produced as much new housing as the remaining forty nine Community Districts combined. This status quo is unacceptable and has materially contributed to the crisis we face today.

To address our housing crisis, we must build a little more housing in every neighborhood – and City of Yes for Housing Opportunity lays out a citywide roadmap to do just that - by comprehensively modernizing the City’s zoning code. This administration’s focus on zoning is grounded in the understanding that zoning is the key to unlocking or blocking development. It can make a neighborhood more inclusive or more exclusive, and more affordable or less attainable. And in that respect, zoning dictates who gets to live where, and which New Yorkers have more or less access to opportunity. New York City’s zoning regulations have not had a meaningful update in roughly 60 years. They were written in a different era for a different city with different housing priorities and challenges than we have today.

City of Yes would update the toolbox of resources available to meet current housing needs and promote more equitable neighborhoods across our city by enabling the construction of more housing of every type appropriate to each community. A little bit more housing in every neighborhood can create the amount of housing New York City needs without necessitating dramatic changes in any one neighborhood.

A common criticism of City of Yes for Housing Opportunity is that it would enable out of scale development and radically alter the fabric and character of existing neighborhoods. It is important to stress that the proposals in City of Yes for Housing Opportunity were crafted specifically to do just the opposite– yes, these proposals will enable specific and targeted changes in what type of development is permitted in each neighborhood, but these changes will be small by design. In low-density neighborhoods, this would look like allowing 2-4 stories of housing above existing ground-floor commercial in town centers, or 3-5 story apartment buildings within half a mile of subway or rail



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stations where even in the outer boroughs 1-3 story development is already common. In medium- and high-density neighborhoods, City of Yes would introduce Universal Affordability Preference (UAP), which will allow buildings to add at least 20% more housing if the additional homes are permanently affordable at 60% of AMI. For a 40 unit building in a medium density district, this would mean adding 8 more units and likely going from 8 stories to 10 – a change of scale well within the existing neighborhood character. These proposals will increase development only by slim margins on top of what is already allowed, specifically avoiding changes that would bring out of scale development to New York neighborhoods.

City of Yes for Housing Opportunity offers a once in a generation opportunity to modernize our regulations, comprehensively address our housing shortage, and build a city that meets the needs of all its residents. On behalf of CPC, we applaud the Department of City Planning for their tireless work developing City of Yes and we urge this Subcommittee to support City of Yes for Housing Opportunity as it is currently written.

Thank you for the opportunity to testify today and I am happy to answer any questions.



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About CPC

The Community Preservation Corporation (CPC) is 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 which were devastated by deterioration and abandonment. Today, CPC uses its unique expertise in housing finance and public policy to expand access to quality housing, 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. CPC is a permanent lending partner to the New York City Retirement Systems (NYCRS) and we are also an equity partner in the PACT Renaissance Collaborative, the team selected by NYCHA to renovate and preserve 16 NYCHA properties located in Manhattan. On behalf of New York State HCR, CPC is also administering the Climate Friendly Homes Program, a \$250 million program to electrify 10,000 units of housing across the state in the next four years.

Most recently, CPC again answered the call to support our government partners in reinvesting in communities following the collapse of Signature Bank. Alongside partners Neighborhood Restore HDFC and Related Fund Management, CPC is leading Community Stabilization Partners (CSP), the manager of a joint venture partnership with the FDIC to manage the rent stabilized portion of now defunct Signature Bank's multifamily commercial real estate portfolio. CPC on behalf of CSP is now the servicer of record for 1,100 buildings encompassing approximately 35,000 units in New York City, the majority of which are rent stabilized. We understand the unique role that rent regulated housing plays in New York City, the distinct financial challenges facing its owners and operators in today's market, and its importance as a haven of affordability to its tenants. As a partner with the FDIC and servicer of the stabilized loan portfolio, CSP and CPC are proud to be preserving the long-term affordability as well as the physical quality and financial stability of these buildings.

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