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## **Testimony on Intro. 2186 to Amend the New York City Charter, in Relation to Requiring a Comprehensive Long-Term Plan**

*Submitted to the New York City Council's Committee on Governmental Operations,  
Committee on Land Use, and Subcommittee on Capital Budget*

*February 23, 2021*

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Thank you for the opportunity to testify on Intro. 2186. I am Sean Campion, Senior Research Associate at the Citizens Budget Commission (CBC). CBC is a nonpartisan, nonprofit think tank and watchdog devoted to constructive change in the finances and services of New York City and New York State.

Intro. 2186 proposes a new comprehensive planning framework that would reform the City's land use and capital planning process. Under the proposal, the City would revamp its approach to long-term planning, require the City to conduct a thorough capital needs assessment, and more tightly integrate land-use planning with capital budgeting.

CBC has long supported reforms to the City's capital planning process, including many components that are included in the proposal. CBC has advocated linking the Ten-Year Capital Strategy with the City's strategic plans and has urged the City to conduct a comprehensive capital needs assessment that identifies its state of good repair needs. Without a solid grasp of citywide infrastructure needs or the benefits associated with infrastructure improvements, elected officials lack the information to prioritize capital investment properly. An expanded, improved needs assessment would represent a step forward.

CBC also supports efforts to expand appropriately the scope of the City's long-term planning efforts. The lack of a citywide approach to zoning and land use issues has limited the City's

ability to grow in recent years. Patchwork zoning changes have left New York City with an outdated zoning resolution that fails to meet the needs of a modern, growing city. Identification of clear goals and metrics would advance efforts to ameliorate the City's housing crisis; create, attract and retain jobs; and become more resilient and sustainable.

Thus, while CBC supports many of the proposal's goals, the design and parameters raise concerns, especially regarding the proposed capital planning reforms:

- **Tying capital reforms to land use reforms is not necessary.** Improvements to the City's asset management process are needed, but do not need to be tied to a wholesale revamping of the strategic planning process that includes land policy. Many of the most-needed capital planning improvements do not rely on or benefit from a strategic planning framework oriented around land use. While strategic planning can help agencies and budget officials prioritize capital spending, particularly for expansion projects, these projects represent less than a quarter of the City's capital plan. Seventy-eight percent of spending in the Preliminary Fiscal Year 2022 Ten-Year Capital Strategy— more than \$92 billion— is for state of good repair needs or programmatic replacement, and this likely underestimates the actual state of good repair need. Furthermore, the timelines and investment horizons for maintaining critical assets and infrastructure in a state of good repair may not align with the ten-year cycle in the proposed comprehensive planning framework.

A more coordinated, consistent approach for managing our assets would include better inputs about conditions and needs, and clear goals and metrics about how best to achieve and maintain a state of good repair. Reforms to the capital planning process for the majority of the City's capital projects do not rely on a broader planning reform package.

- **Proposed changes to the structure and timing of capital budget reports would decrease their usefulness.** The proposal would change both the purpose and structure of the Ten-Year Capital Strategy (TYCS) and the Capital Commitment Plan (CCP). Under the proposal, the TYCS would move from a two-year update cycle to a five-year update cycle and transform into an estimate of state of good repair needs and a list of expansion projects identified in the new planning process; both would be independent of funding availability. The proposal also would extend the CCP to cover what the Administration plans to commit in the upcoming 10-year period, effectively replacing the current TYCS as the capital budget planning document.

Currently, neither report meets its intended goals. The TYCS includes an unrealistic timeline for capital projects, while also overestimating commitments in the initial years

and underestimating commitments in the back half of the plan; it lacks metrics to determine whether the City is investing appropriately in state of good repair, in part due to the inadequacy of the Asset Information Management System (AIMS); and it lacks indicators to measure the City's progress towards implementing its strategic goals. Likewise, the CCP does not relate back to TYCS thematic categories; does not allow the public to determine how much the City invests in state of good repair versus expansion; and is organized around budget lines that are often too broad to provide meaningful context. Coupled with the inadequate AIMS report, the reports fail to give a comprehensive picture of the City's capital needs or its planned spending.

The changes proposed in the reform package do not address these problems, and in some cases, would diminish the usefulness of each report as budget documents. The TYCS should reflect how the City plans to prioritize investments given its overall needs and its financial outlook. The Strategy would adequately cover long-range capital planning needs if it were aligned with a comprehensive needs assessment, an assessment of affordability, guided by measurable goals and objectives as intended in the Charter. The proposed changes would diminish the usefulness of the TYCS as bridge between the City's needs assessments and the commitment plan, as intended in the Charter.

Furthermore, biennial updates to the TYCS allow the City to respond quickly to changing conditions and needs. Moving to a five-year cycle would mean that the Strategy quickly would grow outdated.

Similarly, improving the CCP would require it to be aligned better with TYCS strategies and investment categories. Without the TYCS in its current form, the CCP would need additional structural changes to address these issues.

- **Devolving budget planning authority will not improve outcomes.** The Mayor should retain the role of submitting a capital budget to the Council and the right to propose how to prioritize investments based on strategic planning documents, a revamped AIMS report, or a newly conducted comprehensive physical needs assessment. The Mayor, through the Office of Management and Budget (OMB) and mayoral agencies, also should conduct and oversee the needs assessment process. This does not mean there is not a very important role for the community in planning or for input from the City Council. But critical to the process is balancing citywide needs and community needs and desires. Compiling the capital budget from the bottom-up risks not adequately addressing citywide needs just as developing without any input from the community or Council would risk ignoring local needs and desires. A large share of the capital program, such as

new water tunnels or DEP's upstate land acquisition programs, provide citywide benefits that may not emanate from a community district-level planning process. The proposal correctly maintains the mayor's budgetary authority; this should not be weakened or modified.

CBC currently is conducting research into the land use process, and as such, is not ready to posit a conclusive view on the land use provisions of the comprehensive planning proposal. Still, it is important that any changes to the strategic planning process should drive towards measurable results, such as increasing capacity for appropriate as-of-right residential and commercial development, improvements in the city's resiliency and sustainability, and advancing fair housing, among other goals. Additionally, a strategic plan is only as good as its implementation design; extreme care should be taken when adding new processes, requirements and organizations since they could slow or thwart progress towards those outcomes or unnecessarily increase costs.

Thank you again for the opportunity to submit testimony, and we look forward to working with the City Council, advocates, and others on these issues in the months and years ahead.

### **Citizens Budget Commission Reports on City Capital and Strategic Planning**

*What New Yorkers Can and Cannot Learn from the Ten-Year Capital Strategy*

<https://cbcny.org/research/what-new-yorkers-can-and-cannot-learn-ten-year-capital-strategy>

*Strategies to Boost Housing Production in the New York City Metropolitan Area*

<https://cbcny.org/research/strategies-boost-housing-production-new-york-city-metropolitan-area>