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Testimony on the Adams Administration's *Housing our Neighbors* Plan

Submitted to the City Council Committee on Housing and Buildings

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Thank you for the opportunity to testify on Mayor Eric Adams' *Housing our Neighbors* plan. I am Sean Campion, the Director of Housing and Economic Development Studies at the Citizens Budget Commission (CBC), a nonpartisan, nonprofit think tank and watchdog devoted to constructive change in the finances, services, and policies of New York State and New York City.

My testimony will focus on two points.

1. The plan rightly concentrates on improving the quality and efficiency of housing-related service delivery; however, success will depend on specifying the operational changes needed to do so and then diligently managing their execution; and
2. The plan also rightly acknowledges the need to increase housing production to help address the city's affordability crisis; however, the ability to increase production will depend on planning for growth and modifying zoning to facilitate that growth. Currently, neither of these critical actions are sufficiently fleshed out in the plan.

First, *Housing our Neighbors* appropriately focuses on getting management basics right. The plan correctly starts with the New York City Housing Authority (NYCHA), which requires both new funding to rehabilitate developments and management reforms to become a more effective, efficient, and accountable property manager. The plan also pledges to fill vacant affordable units faster, ensure rental housing vouchers get utilized, prevent households from becoming homeless, reduce the amount of time spent in shelter, and make it easier and faster to place households into permanent housing. Ensuring that the City's programs and services for housing and homelessness function effectively and expeditiously is crucial.

These are all welcome commitments, but implementation is key to getting stuff done. Without identifying and implementing strong management and accountability systems, the plan will not succeed. The City should identify the specific operational and policy actions needed to achieve these goals. It then should identify responsible parties, set implementation milestones and performance metrics, and create and implement a management accountability process to track and manage progress.

The plan promises a revised set of indicators in the next Mayor's Management Report. We urge the City to publish a portfolio of resource and performance metrics it will use to manage and that will allow the public to monitor the plan's progress. Our policy brief [Track to Have Impact](#) recommended that the City use metrics for inputs, processes, outputs, effectiveness, quality, efficiency, and outcomes, which can be used to monitor progress and identify underperformance where course correction is needed.

Importantly, many of these goals could be accomplished without significant additional spending. Some may require hiring to fill vacant positions, but by appropriately allocating some of the City's over 20,000 vacancies and placing a greater emphasis on effectiveness, efficiency and outcomes, the City should be able to implement its plan within the record levels of City capital and operating funding already available for housing.

Second, the new housing and homelessness plan correctly identifies an "undersupply of housing" as contributing to the affordability and homelessness crisis. CBC documented the City's anemic rate of housing production in [Strategies to Boost Housing Production in the New York City Metropolitan Area](#) and recommended that the City plan and zone for growth. Without identifying and implementing the specific steps needed to accomplish this, the plan likely will not be sufficiently successful.

While committing to producing affordable housing, the City's plan does not set a unit goal, a departure from the housing plans of previous Mayors. Rather than solely measuring the City's production or preservation of affordable units, the City should instead set goals for total housing production (inclusive of both income-restricted and market-rate units), the net growth in housing units citywide, and the net change by community district. [One estimate](#) found that the City would need to double annual production to meet current and future housing needs.

Then, the City needs to facilitate and encourage that production. Some of the operational changes referred to above would help, but the City also needs to change its zoning to allow for that growth. The proposed Zoning for Housing Opportunity text amendment is a good, important first step, but it alone will not generate enough housing to meet the immense need for all types of housing in every neighborhood of the city. Doubling production will require broad-based rezonings to increase as-of-right development capacity in every neighborhood.

Affordable housing production is also only one piece of the housing policy toolkit. While increasing the supply of affordable units is critical, the City, State and federal governments address the demand side, as well, by subsidizing household incomes, primarily through rental housing vouchers and other household subsidies and through workforce development programs. Voucher support unfortunately is falling more and more on the City, when it first should be a federal obligation, and to a lesser extent, the State's. Fortunately, there has been some progress on voucher funding at the State level.

The City should track and publish outcome metrics, such as the share of rent burdened households or the homeownership rate for various groups, to monitor the effectiveness of both demand- and supply-side policies.

Finally, CBC identified other needed changes to make New York "[a city that says yes](#)" to more of all housing types across the city, including speeding up development approvals; better balancing citywide needs and local concerns; and reforming the property tax system, building and construction codes, insurance laws, and the Multiple Dwelling Law, in order to make housing less expensive to build and operate.

Thank you for the opportunity to testify.

The Only Way to Build What We Need: NYC's Construction Imperative

Sean Campion

New York Daily News

June 10, 2022

If New York is to be an affordable place to live for the diverse populace it needs to thrive, it must be, to paraphrase Mayor Adams, “[a city that says yes](#)” to more of all housing types across the city. That starts with a holistic, growth-oriented housing plan that quantifies needs and sets goals for the entire housing market, not just affordable. It then requires zoning for that growth — changing zoning broadly, across the city, to increase as-of-right development capacity to ensure the housing plan is realized quickly and cost-effectively.

New York's need for more housing at all income levels across the entire city is immense. Consulting firm AKRF estimates that New York City [needs 560,000 more housing units by 2030](#) to meet existing needs and future population growth. This would require permitting more than 50,000 units annually — twice as many as issued in recent years. New York's development has sorely lagged its needs, with [fewer permits for housing units issued per resident](#) than nearly every other large city — 40% fewer than San Francisco, half as many as Boston, and just over one-third as many as Washington, D.C..

“Yes” was not the City Council's answer to the recently withdrawn One45 project. Much needed affordable and market rate housing unfortunately will now not be developed. But the path to solving the problems and balancing the city's needs exists.

To double production, the city's housing plan should quantify current and future housing needs — for all types of housing, for all income levels and across all neighborhoods. More affordable housing, while sorely needed, is not enough. Perpetuating the shortage of market-rate housing will continue to drive up rents throughout the city, affecting what all New Yorkers pay for housing.

Since implementation is key to getting stuff done, the plan should set ambitious but achievable production goals, identify needed operational and policy actions and responsible parties, set implementation milestones, and commit to tracking publicly both the process and results.

To succeed, several changes must support the housing push.

First, basic operations must improve. This includes speeding up approval times for zoning certifications, building permits and certificates of occupancy; filling affordable apartments more quickly; and ensuring rental housing vouchers get utilized. Much of this relies on hiring and retaining staff, which should be possible [given the city's 22,000 vacant positions](#).

Second, the city needs to zone for growth. The current zoning code simply does not allow enough development in the right places to meet housing demand.

Citizens Budget Commission research found that under current zoning, [only 20% of the city's residential lots have enough capacity](#) to make it worthwhile to develop, and even fewer in higher density zoning districts that, according to the Furman Center, [generate a disproportionate share](#) of the city's new housing units.

Adams' proposed Zoning for Housing Opportunity begins the right approach. It would increase the development opportunities by granting bonuses for affordable housing, easing restrictions on studio apartments, duplexes, commercial conversions and reducing minimum parking requirements. While a good first step, it will not unleash the potential required to meet New York's needs. Broader upzoning to increase allowable building sizes will still be needed to provide enough density to meet an ambitious production target.

Third, New York needs to balance its need for growth with local concerns, including stability. This starts by ensuring that the housing plan balances citywide needs among various neighborhoods and guides citywide zoning changes that set the right framework.

All neighborhoods need as-of-right zoning capacity to increase. Elected officials and community representatives should contribute ideas for how best to make space for growth. Incorporating local concerns into a citywide plan can also reduce the need for uncertain and contentious discretionary approvals that too often generate hyper-local opposition and put pressure on elected officials to reduce density or extract public benefits.

Furthermore, the land-use decision-making process should be improved so that local representatives have a strong voice but do not hamper the city's ability to meet its stated goals. CBC's forthcoming work on land use will offer options to accomplish this, including allowing the Department of City Planning to fast-track projects that it certifies as advancing the city's strategic planning goals, which ideally would already be designed to balance needs. It also will offer options that would require Charter reforms, such as the ability to appeal City Council-rejected zoning changes to a body of citywide elected officials or increasing the number of votes required to overturn City Planning Commission approvals.

Finally, while these steps will allow major progress, ultimately, changes still are needed to make development of all housing types across the city financially feasible. This requires property tax reform and the right tax and other incentives to encourage mixed-income development.

There is no miracle cure to solve New York's affordability crisis. But we'd better get started trying.