

**TESTIMONY OF ADRIEN A. WEIBGEN BEFORE THE
NEW YORK CITY COUNCIL SUBCOMMITTEE ON ZONING AND FRANCHISES
REGARDING THE EAST NEW YORK REZONING**

Monday, March 7, 2016

Thank you for the opportunity to testify today. My name is Adrien Weibgen, and I am a Staff Attorney at the Community Development Project of the Urban Justice Center, or “CDP.” CDP’s mission is to strengthen the impact of grassroots organizations in New York City’s low-income and other excluded communities. We partner with community organizations to win legal cases, publish community-driven research reports, assist with the formation of new organizations and cooperatives, and provide technical and transactional assistance in support of their work towards social justice. As part of its work around neighborhood change, CDP is working with the Coalition for Community Advancement to support responsible, equitable development in East New York and Cypress Hills.

CDP and the Coalition share the City’s desire to create more affordable housing in the neighborhood. But we have grave concerns about the City’s plans to significantly upzone East New York without guarantees that most of the housing is affordable to the current community. Inviting the construction of significantly more apartments that current residents cannot afford will *not* help alleviate their housing crisis, because the benefits of housing that is out of reach will not “trickle down.” The City must do more to ensure that a greater share of what is built is deeply affordable. We urge the City not to open the floodgates of market-rate housing in East New York – a move that will not meet local housing needs, that risks displacing thousands of people, and that can never be undone.

The City estimates that the rezoning in East New York will produce 6400 new apartments, and it is aiming to make half of those units affordable. But there are two fundamental problems with the City’s development plans. The first is that the City does not have a concrete, realistic way to get to the number of affordable apartments it has promised. As of today, HPD has committed to subsidizing just 1200 apartments – less than a *fifth* of the total. Because Mandatory Inclusionary Housing could not get the overall share of affordable apartments up to half on its own, the City would have to subsidize almost 1000 more units to meet the goal of half affordability it has set for East New York. But the City has not said where or when these units will be built. Subsidies are a voluntary strategy that will not work as a way to get affordable housing once the market in ENY is stronger, and we cannot know precisely when the market will have shifted to the point that developers no longer want to accept HPD subsidies. What we do know is that land prices and rents – which had been stable for years – skyrocketed after the City completed a prior planning initiative in ENY, and again after the City announced this rezoning. The

City is assuring community members that developers will not be able to build without subsidies for years, but the truth is that the City doesn't know this, and the only statements it *has* made about when developers might stop taking subsidies estimate that that tipping point may arrive as soon as two years from now. In other words, the City has a two-year funding plan for a fifteen-year building plan. The City's heavy reliance on voluntary subsidies without the ability to predict what will happen in the future leaves significant doubt about whether the City will meet its stated goal of making half of the new apartments affordable. And even that goal – half affordable, and half market rate – is not something current East New Yorkers want. The community does not need a glut of market-rate apartments; it *already has* thousands of units of unregulated housing where rents could double or triple as market pressures increase, and it does not need more of the same. What East New York needs, and all it needs, is more housing that will stay deeply affordable in the long term.

The second fundamental problem with the City's plans is that the affordability levels do not match the current neighborhood need. The Mandatory Inclusionary Housing Option the City is seeking to implement in East New York would require just a quarter of new construction units to be permanently “affordable,” but they will be affordable at 60% AMI, to households making over \$50,000 a year – well above the community's median income of \$34,000 a year for a family of four. Over half of current neighborhood residents will not be able to afford even the “affordable” units produced by MIH. And even though over a third of families in East New York earn less than 30% AMI, there is *nothing* in the Mandatory Inclusionary Housing policy that requires developers to build housing at this income level, in East New York or anywhere else.

The HPD-subsidized projects will come closer to meeting the neighborhood need, but close enough is not good enough. Subsidized projects include too much housing at 60% AMI and too little where the need is greatest – at or below 40% AMI, the neighborhood median income. In HPD subsidized projects, just a quarter of apartments will be affordable to families earning up to the local median income. So far, that means 300 units – less than 5% of the new housing the rezoning will bring.

The City's plans create too great a risk for East New York with too little reward. The question is not whether this rezoning plan is better than the rezoning plans under the Bloomberg administration or previous mayors, but whether this is the best plan we can do now for the people of East New York – and the answer to that question is no. Similarly, the question is not whether City agencies have met with the Coalition and other community members, but whether they have *listened* to them and revised the rezoning plan to meet their needs – and the answer to that is, not yet. If current residents cannot afford the vast majority of the new apartments the rezoning brings, the rezoning will hurt, not help them. And the rezoning will hasten displacement pressures, not alleviate them.

But it's not too late to make this a plan that works for the people of East New York. The City should drive down rent levels in the projects it subsidizes – a move that will require additional subsidy dollars, but an investment that the community deserves after so many decades of neglect. The City should also cut the amount of upzoning to more closely match the amount of housing HPD can subsidize soon, which will help curb gentrification and displacement by making deeply affordable housing a greater share of the total. Finally, the City must create a deep affordability band within MIH to ensure that that program creates permanently affordable housing where the need is greatest – below 30% AML.

East New York is not just a means to the end of the Mayor's housing plan – it is a community with needs of its own, which this rezoning must address. The rezoning should be for the people of East New York, or it should not happen at all.

Thank you for the opportunity to testify. If you have any questions about my testimony, I can be reached at aweibgen@urbanjustice.org or 646-459-3027.