



**Testimony to the New York City Council
Committee on Economic Development
Preliminary Budget Hearing for FY 2022**

March 19, 2021

Good morning, Committee Chair Vallone, and members of the Committee, and thank you for the opportunity to testify. My name is Will Spisak and I'm testifying on behalf of New Economy Project, a citywide organization that works with community groups to build a just economy that works for all. Among our activities, New Economy Project is a founding member and co-coordinator of the NYC Community Land Initiative, a citywide coalition working to promote community land trusts (CLTs) as a strategy to address the city's affordability crisis and ensure equitable, community-led decision-making over land use in New York City.

Since FY2020, New Economy Project has coordinated the citywide Community Land Trust Initiative, through which the City Council has provided discretionary funding support for the development of CLTs and permanently affordable housing, commercial and community spaces across the five boroughs. In less than two years, the Initiative has made major progress--helping to launch and expand CLTs in the South and Northwest Bronx, East Harlem, the Lower East Side, Jackson Heights, Brownsville, East New York, and beyond. Through this groundbreaking and cost-effective initiative, the City is helping to seed a new generation of neighborhood-based institutions equipped to facilitate equitable development and build community wealth. We thank the City Council for its vital support of CLTs, worker cooperatives, and other models that advance shared ownership and democratic control of our economy.

New Economy Project and 17 partner organizations in the CLT Initiative seek \$1.51 million in City Council discretionary funding in FY2022. We urge the Committee to support this funding request and ensure that CLTs continue to play a key role in stabilizing communities, combating speculation, and promoting a just recovery in Black, brown and immigrant neighborhoods. (See attached one-pager detailing activities and participating organizations.)

Since FY2020, the CLT Initiative has engaged thousands of low-income community members in education and organizing; developed grassroots leadership through CLT steering committees and founding boards; provided comprehensive legal and training support; completed planning and property research; and formalized strategic partnerships with nonprofit developers and other stakeholders. Two CLTs have acquired first or new properties, while others have completed feasibility studies or are negotiating for property acquisitions. Expanded FY2022



discretionary funding will enable the CLT Initiative to sustain and deepen this essential work, and engage two new CLTs and an additional citywide technical assistance provider.

CLTs are a flexible, proven model to protect public investment in a wide range of community development projects. In addition to ensuring permanently affordable housing, CLTs in New York City are also paving the way for an equitable recovery that includes commercial revitalization, manufacturing, community-owned solar microgrids and other infrastructure that impact the economic well-being of our neighborhoods. As community-governed nonprofits, CLTs own land and control terms on which the land is developed to ensure, for example, that rents remain permanently affordable and that development meets community needs. The COVID crisis has exposed the inherently unstable model of economic development in New York City, where real estate speculation requires the exponential extraction of the productivity of local businesses and producers, cutting into wages and profits, until business is no longer viable.

CLTs are already providing a new model for economic development. For example, Cooper Square CLT in Lower Manhattan has incorporated 22 commercial spaces onto their CLT. These spaces are available at competitive rates because the land trust is not interested in maximizing profits at the expense of local businesses, and the land was not subject to bidding on the speculative market, which would have raised the cost of monthly debt service. As a result, they can support businesses that would otherwise not be able to access affordable space in the neighborhood. The majority of businesses on the CLT are owned by people of color, half are owned by women, and half are owned by immigrant families. Other CLT partners including Chhaya CDC in Jackson Heights, Western Queens CLT in Long Island City, and Mott Haven Port Morris Community Land Stewards in the Bronx are working on organizing and developing community, commercial, and/or manufacturing space to support the economic and cultural life of their respective neighborhoods.

NYC faces unprecedented threats of speculation and displacement in the wake of the COVID-19 pandemic. Holding reportedly massive amounts of cash, global private equity firms are expected to pounce on vulnerabilities in the real estate market brought on by the COVID crisis. This potential feeding frenzy could lead to unparalleled levels of commercial displacement at a time when small businesses, producers, and community institutions are at greatest risk.

City Council is rightly considering policy interventions to address these threats, from the Community Opportunity to Purchase Act and ending the City's lien sale to prioritizing nonprofits like CLTs for public land disposition, and more. Strong public investment in CLTs will be key to ensuring that these policies meet with success and that land is removed from the speculative market, for good.

We urge the City Council to renew and expand discretionary funding support for CLTs at this critical time. Thank you again for the opportunity to testify today.



Community Land Trust Initiative

FY2022 Discretionary Funding Request

The **citywide Community Land Trust (CLT) Initiative** requests **\$1.51 million** in FY2022 City Council discretionary funding to support 14 community-based organizations and four citywide organizations working to develop CLTs and permanently-affordable housing, commercial and community spaces. The initiative combats displacement and promotes community control of land and housing in Black and brown NYC neighborhoods, by incubating CLTs and providing comprehensive community outreach, education, organizing, and legal and technical support.

Launched in FY2020, the CLT initiative has helped groups launch and expand CLTs, develop strong grassroots leadership, train thousands of community members, and organize for land and housing justice. Throughout the pandemic, groups have sustained and deepened their work on CLTs and social housing, as a matter of public health, racial equity, and just recovery. Two CLTs have acquired new or first properties; others have completed site acquisition and feasibility plans. (The initiative received \$855,000 in FY2020 and \$637,250 in FY2021.)

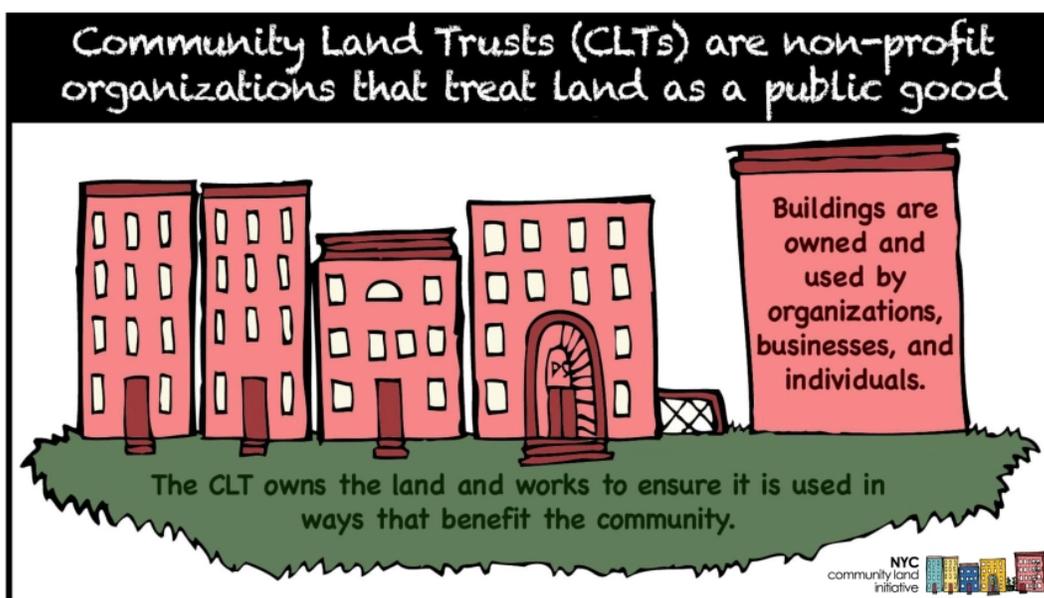
In FY2022, we will continue to build CLT capacity and expand the initiative to include two additional CLTs and a fourth technical assistance provider. (See map of participating organizations.)



In FY2022, the CLT initiative will engage 18 organizations to:

- Provide 100 CLT education and organizing sessions--including virtual Town Halls and workshops--for tenants, homeowners, small business owners, and other stakeholders.
- Provide capacity-building training for 50 CLT board and steering committee members.
- Provide 35 legal and technical assistance engagements related to CLT incorporation, bylaws, developer partnerships, property research and acquisition, and more.
- Publish a CLT start-up guide and popular education material.
- Complete feasibility studies and acquire properties.

The CLT initiative's long-term goals include creating and preserving thousands of deeply- and permanently-affordable housing units; providing affordable commercial space for hundreds of small and cooperatively-owned businesses; and ensuring that public land and subsidy are preserved for permanent public benefit.



CLTs are a proven model to protect public subsidy and facilitate community-led development.

CLTs are flexible and can support rental, limited-equity and mutual housing, as well as commercial and mixed-use development and other community needs. For example, Cooper Square CLT on the Lower East Side stewards more than 320 permanently-affordable homes for families earning as low as 30% AMI, as well as storefronts for 20 local small businesses. CLTs ensure permanent affordability of housing through ground leases that establish income, resale, and other restrictions.

In the wake of COVID-19, CLTs are needed to combat displacement and ensure a just recovery.

CLTs have a vital role to play to strengthen and stabilize housing in Black and brown neighborhoods hardest-hit by the pandemic. With evictions and speculation looming, NYC must deepen its commitment to CLTs and progressive housing and land ownership models that promote community safety and self-determination.

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