



**Testimony to the New York City Council
Committee on Housing and Buildings**

February 23, 2023

Good afternoon, Chair Sanchez and members of the Committee. Thank you for holding today's important hearing and for the opportunity to testify. My name is Akilah Browne and I am a board member of New Economy Project, a citywide economic justice organization. Our mission is to build an economy that works for all, based on cooperation, equity, social and racial justice, and ecological sustainability. For almost 30 years, we have worked closely with community groups across New York to address inequities in our financial system and economy, and to promote cooperative, community-led development in historically-redlined Black and brown neighborhoods.

New Economy Project has helped foster the growth of CLTs in New York City over the past decade, as co-founders and co-conveners of the NYC Community Land Initiative coalition, to address root causes of our city's affordability crisis and advance racial equity in housing and land use. CLTs are community-governed nonprofits that own and steward land and ensure it is used for affordable housing and other critical needs. CLTs are a flexible, proven model to enforce long-term housing affordability and protect public subsidy in affordable housing and other neighborhood development. NYCCLI members include close to 20 emerging and established CLTs organizing for permanently-affordable social housing, commercial and community space, and other infrastructure in low income neighborhoods of color across the five boroughs.

We thank the Committee for holding today's important hearing and for its staunch support of CLTs and other social housing models. Today, I am testifying in support of the Community Land Act bill package, which includes the Community Opportunity to Purchase Act (Int. 196), Public Land for Public Good (Int. 637), and Resolution 38 in support of the NYS Tenant Opportunity to Purchase Act. My testimony includes recommendations to strengthen Int. 196 and Int. 637 before passage. A strong Community Land Act will give CLTs and other nonprofits new tools to bring land and housing into permanently-affordable community ownership – shielding them from predatory development, preventing displacement of low-income New Yorkers, and building collective wealth in Black and brown communities.

Strong partnerships, technical assistance, and access to capital will be key to ensuring the Community Land Act's success. We urge the City Council and administration to work with

nonprofits, community development financial institutions, state agencies, for-profit developers including MWBEs, and other stakeholders to develop and expand appropriate funding streams and technical support for CLTs and other nonprofits, to expand the supply of social housing and other needed development.

The Community Land Act is urgently needed to address our City's worsening affordability crisis. Upwards of 79,000 people live in shelters or on the streets,¹ while roughly one-third of NYC residents are severely rent-burdened, paying more than half their incomes on rent.² Between 2017 and 2021, New York City lost almost 100,000 units that had rented for less than \$1,500 per month, while it added 107,000 units that rent for at least \$2,300 per month.³

NYC's increasingly consolidated real estate market has exacerbated the crisis. Over 50% of HPD-registered landlords own 20 buildings or more and a quarter have over 60 buildings in their portfolio.⁴ Large landlords raise rents and evict at higher rates than smaller property owners, accelerating displacement and racial inequity.⁵ It's no surprise that half of NYC renters are rent-burdened, and that working class New Yorkers, particularly Black New Yorkers, are being forced out of the city in unprecedented numbers.⁶

City policies have further exacerbated these trends, by resourcing the privatization of housing and the commodification of public land. Even though we know that nonprofits consistently build more deeply-affordable housing and maintain affordability over longer terms,⁷ 75% of housing projects on City-owned land and 80% of City subsidy dollars go to for-profit developers. A recent analysis found that 35% of all new construction units developed by nonprofits were extremely low-income units—compared to just 18% of new units developed by for-profits.⁸

NYC must chart a new course that ensures safe, dignified and affordable housing for all. Collective land ownership through CLTs is one of the most effective ways to decommodify housing, advance social and racial equity, and ensure democratic resident control.⁹ The City Council has made important investments in CLTs in recent years, helping expand or catalyze new CLTs in the South and Northwest Bronx, Harlem, East New York, Lower East Side, Western Queens, and beyond. The Community Land Act will build on this progress – giving CLTs and other mission-driven nonprofits vital new tools to take land out of the speculative market, for good.

¹ Right to a Roof Coalition, *Right to a Roof: Demands for an Integrated Housing Plan to End Homelessness and Promote Racial Equity*, <https://anhd.org/report/right-roof> (Feb. 9, 2021).

² 2021 New York City Housing and Vacancy Survey, *Selected Initial Findings* (May 16, 2022).

³ Id.

⁴ Rabiyah, Sam "Examining the Myth of the 'Mom-and-Pop' Landlord", 2020

⁵ Id.

⁶ <https://www.nytimes.com/2023/01/31/nyregion/black-residents-nyc.html>

⁷ Sosa-Kalter, Stephanie. *The For-Profitization of Affordable Housing Development and the de Blasio Plan*, Association for Neighborhood & Housing Development (Oct. 17, 2017), <https://anhd.org/report/profitization-affordable-housing-development-and-de-blasio-plan>.

⁸ Sosa-Kalter, Stephanie. "Maximizing the Value of New York City-Financed Affordable Housing." Association for Neighborhood & Housing Development (October 2019).

⁹ Community Service Society, *Pathways to Social Housing in New York: 20 policies to shift from private profit to public good* (Nov. 2022)

We urge the Committee and Council to:

- Strengthen and pass COPA (Introduction 196), giving qualified nonprofits a first opportunity to purchase multifamily buildings when a landlord decides to sell. Int. 196 is modeled on successful legislation implemented in Washington, D.C., and San Francisco, which has produced thousands of affordable units of social housing. However, other Opportunity to Purchase policies include an explicit right of first refusal for nonprofits that is currently missing in Int. 196. We urge the Council to strengthen COPA by:
 - Adding a right of first refusal for qualified nonprofits, to ensure that a nonprofit has the right to purchase on the same terms as a competing offer; and
 - Expanding the definition of “Residential Property” covered by COPA to include vacant property zoned for residential buildings with three or more units.

We also urge the City to help develop dedicated, nimble funding streams to give CLTs and other qualified entities a meaningful opportunity to purchase within the timeframes provided by COPA and reach affordability levels that their neighborhoods need.

- Strengthen and pass the Public Land for Public Good Act (Introduction 637), requiring NYC to prioritize CLTs and nonprofit developers when disposing of City-owned land. The City has effectively prioritized for-profit developers in recent decades, contributing to market-rate development, extraction of public subsidies over time, and displacement pressures in low-income Black and Brown communities. Int. 637 will help ensure that public land is used for permanently-affordable social housing and other public benefits. To improve the bill, we recommend amendments to:
 - Explicitly permit joint ventures where a CLT or other nonprofit has a majority ownership stake to qualify as bona fide nonprofit bidders, to encourage collaboration in a way that maximizes public good while leveraging varied expertise; and
 - Incorporate a new definition of a “community land trust” in the NYC administrative code, through Int. 637 or a separate bill, that reflects CLTs’ work on non-housing development
- Pass Resolution 38, calling on the NYS legislature and Governor Hochul to enact the Tenant Opportunity to Purchase Act (TOPA) giving tenants the first right to collectively purchase their buildings when a landlord sells. TOPA would give tenants a say in the future of their buildings and support conversions to permanently-affordable social housing.

A final component of the Community Land Act platform is the implementation of a new public system to collect on property tax and other municipal debts. We applaud the City Council for putting an end to the notorious tax lien sale – which served to destabilize and extract wealth from Black and brown homeowners and communities, for decades – and look forward to working with you on a replacement system that prevents displacement of homeowners and tenants, promotes long-term affordability through CLTs and other nonprofits, and brings vacant and unoccupied property into productive use.

New Economy Project joins with NYCCLI coalition partners in calling for important changes to the NYC Land Bank bill (Int. 714), before offering our support. We have provided detailed suggestions to bill sponsors to strengthen the proposed land bank's governance structure and ensure that land bank dispositions prioritize social housing and community-led economic development. These changes include prioritizing CLTs and nonprofits in *all* land bank dispositions (not just for affordable housing); prioritizing *permanent* affordability in all housing dispositions; and ensuring CLT representation on the land bank's governing board. We look forward to supporting a strong next version of the bill.

Finally, we support Int. 932 requiring New York City to study the feasibility of establishing a social housing agency, and urge the City Council to pass Resolutions 344 and 506 calling on New York State to establish a housing access voucher program and prohibit evictions without good cause.

The urgency of New York's affordability crisis requires bold new solutions – including the resourcing of community-driven solutions like CLTs. Enactment of the Community Land Act would represent a momentous step forward in the fight for housing and racial justice, and we look forward to working with this Committee and Council to secure its passage this session.

Thank you again for the opportunity to testify.