



Legislation Text

File #: Res 0652-2006, **Version:** *

Res. No. 652

Resolution calling upon the New York State Legislature to pass, and the Governor to approve, an extension of the 421-a tax incentive program that requires longer term affordability of units for low and middle-income New Yorkers by extending the benefit period.

By The Speaker (Council Member Quinn) and Council Members Dilan, Brewer, Baez, Clarke, Dickens, Felder, Fidler, Jackson, Liu, Palma, Seabrook, Vann and Weprin

Whereas, There is currently a severe shortage of affordable housing shortage in the City of New York;
and

Whereas, According to the 2005 New York City Housing and Vacancy Survey (HVS), the vacancy rate for rental apartments was only 3.09 percent; and

Whereas, The low vacancy rate is an indication of the City's affordable housing crisis; and

Whereas, The City has seen recent losses in affordable housing due to withdrawals from the Mitchell-Lama and project-based Section 8 programs, and the loss of rent-regulated housing; and

Whereas, Funding for the construction of new affordable housing has not kept pace with New York City's needs;

Whereas, Affordable housing programs keeps neighborhoods economically diverse and vibrant by allowing low to middle-income New Yorkers to remain life long residents of the City; and

Whereas, The 421-a tax exemption program is one method of creating affordable housing; and

Whereas, Most developments receiving benefits within the Geographic Exclusion Area must make at least 20% of the total units affordable to low- and moderate-income New Yorkers; and

Whereas, Affordable rental units receiving 421-a benefits are subject to rent regulation during the benefit period or 20 years, whichever is longer; and

Whereas, According to Section 6-08(e)(2)(iii) of the rules of the Department of Housing Preservation and Development, upon the vacancy of the affordable units beyond the benefit period or twenty years an owner may deregulate those units; and

Whereas, The deregulation of affordable units in buildings receiving 421-a benefits will create an additional loss of affordable housing; and

Whereas, The loss of those affordable units will result in the displacement of low and middle-income New Yorkers severely disrupting the life of the communities where those units are located; and

Whereas, At a time when the City is hemorrhaging affordable housing, New York State must ensure that this affordable housing crisis ends and is not exacerbated by allowing affordable apartments in buildings receiving 421-a benefits to become deregulated; and

Whereas, By extending the benefit period for buildings receiving 421-a benefits the units should be affordable for a longer period of time and the State will make it easier for the City to survive this affordable housing crisis and perhaps avert affordable housing crisis in the future; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass, and the Governor to approve, an extension of the 421-a tax incentive program that provides for the longer-term affordability of units for low and middle-income New Yorkers by extending the benefit period.

LS#
BJG
12/18/06