



Legislation Text

File #: Res 0777-2025, **Version:** *

Res. No. 777

Resolution calling on the New York State Legislature to pass, and the Governor to sign, A.9088/S.8494, in relation to creating a public benefit corporation for the construction, acquisition, and rehabilitation of permanently affordable housing.

By Council Members Marte, Hudson, Hanif, Ossé, Sanchez, Restler, Avilés, Nurse, De La Rosa, Cabán, Gutiérrez, Williams, Banks, Rivera, Louis and the Public Advocate (Mr. Williams)

Whereas, Over the past few decades, the housing landscape in New York City (NYC or City) has faced unprecedented challenges, including the subprime mortgage crisis and an affordable housing crisis; and

Whereas, The subprime mortgage crisis of 2007 to 2010 contributed to the global financial crisis, leading to a housing market crash and numerous foreclosures due to loan defaults; and

Whereas, In 2015, the Center for NYC Neighborhoods, a homeowner advocacy group, reported that the subprime mortgage crisis in NYC led to tens of thousands of foreclosures, negatively affecting the entire City, with lenders targeting communities of color with deceptive loan terms (predatory loans); and

Whereas, The Institute on Assets and Social Policy at Brandeis University reported in a 2013 national study that the subprime mortgage crisis greatly affected certain communities, causing African American families to lose half of their wealth from home equity and predatory loans, and Latino communities to lose 67 percent of their total wealth; and

Whereas, In 2015, the New York Legal Assistance Group, a nonprofit legal services organization, expressed concern that foreclosures can harm communities by decreasing property values, attracting crime, and hindering home sales and refinancing; and

Whereas, According to Vox Media, an online media company, during the subprime mortgage crisis, investors bought millions of foreclosed homes in the United States as prices reached their lowest point; and

Whereas, It has also been reported by different news outlets that these investors flipped foreclosed properties for quick profits, converted them into rentals with potentially increasing rents, and sometimes neglected maintenance, resulting in poor living conditions for tenants; and

Whereas, It is important for the State to evaluate not just the detrimental effects brought about by certain private investors during the subprime mortgage crisis but to also address persistent issues associated with the City's housing crisis; and

Whereas, The 2023 Housing and Vacancy Survey (HVS) showed NYC's rental housing vacancy rate is only 1.41 percent, which signals a high demand for rental properties and a competitive market for renters; and

Whereas, According to the NY Building Congress, a construction industry advocacy group, the private housing market has faced challenges in creating new housing units, with a 62 percent decline in production, a decrease from a projected 30,000 units to 11,300 units, in new residential unit construction in 2023; and

Whereas, The 2023 HVS also highlighted that approximately 18 percent of households citywide are moderately rent burdened since they are allocating 30 to 50 percent of their income towards rent, and 25 percent of households are severely rent burdened, paying 50 percent or more of their income towards rent; and

Whereas, The State should intervene in the private housing market due to developers' inability to keep up with housing demand and provide affordable homes, and the fact that some investors have profited from these crises at the expense of New Yorkers; and

Whereas, A.9088, introduced by Assembly Member Emily Gallagher and pending in the New York State Assembly, and S.8494, introduced by State Senator Cordell Cleare and pending in the New York State Senate, would create a Social Housing Development Authority (SHDA) to acquire, renovate, and transfer distressed real estate to the social housing sector or tenants, as well as offer financing for property acquisition by eligible entities; and

Whereas, The SHDA would act as an assertive asset manager by acquiring distressed real estate, utilizing various tools to streamline developments, secure capital, and collaborate with external organizations;

and

Whereas, The SHDA would cover costs through financing and transferring properties to cooperatives, nonprofits, and community land trusts; and

Whereas, The SHDA would bring properties into compliance with habitability and environmental standards before selling them; and

Whereas, The presence of a public developer, such as SHDA, could progressively increase the availability of permanent affordable housing, contribute to stabilizing land values, and make New York a more livable state; now, therefore be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, A.9088/S.8494, in relation to creating a public benefit corporation for the construction, acquisition, and rehabilitation of permanently affordable housing.

JLC
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