



CBC Urges Legislature to Pass a Well-Crafted Successor to 421-a and Create NYCHA's Preservation Trust

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New York, NY – May 17, 2022 - Citizens Budget Commission (CBC) President Andrew S. Rein released this statement on behalf of the CBC:

“With three weeks remaining in the Legislative session, the Citizens Budget Commission (CBC) calls on State lawmakers to support two priorities critical to improving the supply, affordability, and quality of New York City’s rental and public housing: a 421-a successor and the New York City Housing Authority (NYCHA) Preservation Trust. These are among the top priorities on which we hope Mayor Eric Adams and Legislative leaders and members focus during the Mayor’s Albany visit.

421-a Successor

To improve housing affordability and catch up to past population and job growth, New York City needs to produce more rental housing of every kind, including both affordable and market-rate units. Approving a successor to the 421-a program is critical to ensuring that the city’s already scarce and expensive rental housing does not grow even scarcer and more expensive.

CBC’s 421-a analysis, [Amend it, Don’t End It](#), found that if 421-a expires without a successor:

- Fewer rental units and significantly fewer affordable units will be constructed; and
- [No revenue windfall](#) will flood into City coffers next year; ending the program now will provide less than \$100 million annually over the next seven years, and \$1.8 billion will not be freed up for decades to come.

A well-crafted successor is necessary to ensure the production of rental housing. While the proposed 485-w replacement program deepens affordability and reduces the lifetime cost of the tax incentive, ideally it would be modified to incentivize more production in moderate-to-middle-income neighborhoods, require greater transparency and public reporting, and harmonize with existing State and City affordable housing programs.

State and City officials also should take action to reduce construction and operating costs, increase zoning capacity, and reform the property tax.

NYCHA Preservation Trust

Critical to improving quality of life and preserving public housing for NYCHA's 400,000 residents are comprehensive renovations funded through both the Rental Assistance Demonstration Program (RAD) and the Preservation Trust. The Preservation Trust legislation, A.7805B, would allow NYCHA to secure lucrative federal Tenant Protection Vouchers (TPVs) to raise funding for repairs and to partner with construction management and design firms to oversee renovations.

With buy-in from residents, the Trust would offer a truly transformative future for public housing in New York City. However, the fate of the Trust depends on State legislative action and on federal government approval and funding of TPVs. We urge State lawmakers to pass the Trust legislation.”