

Volume 3

HOUSING IS A RIGHT, NOT A PRIVILEGE

**A 27-POINT PLAN TO FIGHT THE HOUSING CRISIS AND END HOMELESSNESS
WITH A NEW GENERATION OF SOCIAL HOUSING**

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A 27-point plan to fight the housing crisis and end homelessness
with a new generation of social housing

EXECUTIVE SUMMARY

New York City's housing crisis has been decades in the making. But the truth is, there are solutions to our housing crisis that can make our city more livable and affordable, both near-term and long-term. What's missing is the leadership, experience and vision to get the job done. If we are bold and creative—and if we stand up to powerful real estate interests—New York can remain a place where working families live and thrive.

Scott Stringer believes that safe, stable, affordable housing is a right, not a privilege. And he believes it's time for New York to build a new generation of social housing—housing that is permanently affordable and shielded from the speculative market forces that have made New York City one of the most expensive places in the world to live.

COVID-19 remains an immediate challenge that demands immediate solutions.

The pandemic has thrown fuel on the housing crisis fire, pushing many tenants, homeless families, and homeowners—already on the brink—closer to the edge. Scott's plan will keep New Yorkers in their homes, and advance a long-term vision to build a more equitable, affordable city so all New Yorkers have a roof over their head. The glut of distressed properties and now-vacant commercial and permanently vacant hotel space could also pose a once-in-a-generation opportunity to increase the city's stock of deeply affordable homes and supportive housing.

As Mayor, Scott will look at every city-owned vacant lot as an opportunity to build the social housing we need to help end the current and prevent the next homeless crisis. Under his plan, hundreds of derelict lots owned by the City could become permanently affordable housing for the lowest-income New Yorkers. By creating a New York City Land Bank to partner with community-based Land Trusts, the City can turn these valuable assets into affordable homes.

As Mayor, Scott will require that every new building, in every neighborhood, set aside 25% of all units for affordable housing. And those units would be actually affordable to working people, prioritizing low and extremely low-income New Yorkers, such as families of three making \$58,000 a year, or two parents making minimum wage.

Scott's record as a fighter for tenants' rights is unmatched. He began his career as a tenant organizer in Mitchell-Lama buildings. As a young state assemblyman, he was one of a handful of legislators to vote AGAINST the advent of vacancy decontrol in the early 1990s. **As mayor, he will get tough on bad landlords and work to institute a comprehensive Tenant Bill of Rights** that would require landlords to provide crucial information to tenants on housing protections.

Working to safeguard NYCHA—the most important source of deeply-affordable housing in the city—will also be a critical priority of Scott's. As Comptroller, Scott audited NYCHA more often than any previous comptroller, creating a roadmap for reform that touches on everything from fixing broken boilers and addressing rampant mold issues, to improving the agency's inventory practices and making sure the agency is better equipped to handle public health or weather-related emergencies.

Scott is also a strong proponent of making homeownership—a primary means of building generational wealth for so many Americans—a reality for more working New Yorkers. Today, the city’s homeownership rate is half that of the rest of the nation, and is declining among New Yorkers aged 45 and below. Scott would increase mortgage assistance for first time home buyers and clear the way for the construction of Accessory Dwelling Units, allowing basement and garage spaces to be converted into homes in a way that adds value to properties for struggling homeowners and creates new housing in the process.

Finally, Scott believes it is beyond time to fuse our housing policies with our homelessness policies and create real, viable alternatives for those living in our shelters or on our streets. The City has more than doubled its investments in homelessness in the last seven years, to more than \$3 billion per year, but homelessness continues at its record pace.

As Mayor, Scott would build more affordable housing aimed at very low and extremely low income families, including those already living in shelter—more than one-third of whom go to work every day. He would address the troubled connection between domestic violence and homelessness, giving survivors the tools they need to stay out of the shelter system and get back on their feet. And he would invest more in supportive housing and Safe Haven beds to help get homeless people off the streets and into safe, dignified housing with the services they need to maintain stability while addressing mental health, substance abuse and other challenges.

SCOTT’S HOUSING PLAN HAS SEVEN CORE ELEMENTS:

Part I: Turning the corner on COVID. Our economy cannot be fully restored until New Yorkers feel secure in their homes. Scott has a near-term plan to help renters stay in their homes—by extending the eviction moratorium until the economy is moving again, by offering rental vouchers to those most in need and increasing the value of current vouchers to meet market conditions, and by offering free legal counsel to keep people in their homes. At the same time, we need to help small

landlords stay solvent, while also converting vacant commercial properties into new shelters, as well as affordable and supportive housing.

Part II: Invest in a new generation of social housing that is protected from the market's long-term upward rise. Scott will end wasteful tax breaks to big developers, leverage the city's trove of some 3,000 vacant lots, and Create a NYC Land Bank and partner with community land trusts to build housing New Yorkers need.

Part III: Double down on preserving existing affordable housing to fight rampant displacement and stabilize housing. Scott will use the City's tools to more aggressively take control of distressed buildings from absentee landlords and slumlords, prioritize not-for-profit preservation, end the City's lien sale and finally coordinate agency responses to lead paint to create additional safe, healthy, and stable units through preservation.

Part IV: Reform NYCHA and secure the funding it needs to protect one of New York City's most important sources of deeply-affordable units and keep public housing public. Scott will democratize NYCHA for its residents, redirect hundreds of millions to emergency repairs, and overhaul tracking and maintenance to improve operations and fight waste. Our City cannot afford to wait for Washington to realize the importance of public housing.

Part V: Make every neighborhood more affordable for every New Yorker by requiring all big developments to set aside 25% of all units as affordable under his Universal Affordable Housing proposal, and creating an independent Long-Term Planning Office to work with communities and drive affordability in every corner of the city. Scott will end the de Blasio Administration's developer-driven rezonings of low income communities, investing in permanent solutions to inequity—not band-aids—and give tenants the tools they need to assert their rights.

Part VI: Fight homelessness with housing and support. For too long we have approached homelessness and housing as separate problems. Scott has a plan to end this siloed approach and finally tackle homelessness—by expanding our supportive housing network by an additional 30,000 beds over the next 10 years; opening up more low-barrier, Safe Haven beds and offering housing vouchers for those living on the streets; and investing in programs to prevent domestic violence, which is now the leading cause of homelessness in the city.

Part VII: Make homeownership—a well-worn path to generational wealth—available to more working New Yorkers. Scott’s plan will help first-time homeowners with down payments, give tenants a legal right to buy their buildings when they go up for sale, reform taxes and fees, and allow homeowners to build small rental units—known as accessory dwelling units—to earn the extra income that comes from a rental.

You can read more about Scott’s housing plans in the following pages, or by visiting www.stringerformayor.com.

PART I

TURNING THE CORNER ON COVID

Like so many other long-term challenges facing the city, our capacity to build the next generation of affordable housing will be greatly constrained until our economy is restored and New Yorkers feel secure in their homes. Nearly 565,000 New York households pay over half of their income in rent, are severely overcrowded, or have been in homeless shelters for over a year—and that was before COVID-19 struck. Without serious public investment, we face the prospect of an eviction crisis larger than anything the city has seen before—a crisis that will be particularly devastating for low-income neighborhoods of color still reeling from the virus.

Addressing these challenges will require aggressive action at all levels of government. With new leadership in Washington, D.C. and control of the U.S. Senate in Democratic hands, the prospects for meaningful federal aid to help tenants and homeowners weather the economic storm of COVID-19 is better than it has been for years. As mayor, Scott will use every lever at his disposal to push for more federal housing aid, while also advancing agendas on the state and city level to make sure we build back our city in a way that is stronger and more equitable than before. We must:

1. Reverse the damage of the Trump Administration and provide real federal relief for tenants and homeowners: We need a federal response that restores protections lost under the Trump administration and goes further to address long-standing inequities in housing and community development. Scott has already reached out to the incoming Biden Administration to press for the following measures:

- ➔ Implement a national moratorium on evictions and pass additional rental assistance of at least \$50 billion;
- ➔ Raise direct payments to \$2,000 and extend unemployment assistance;
- ➔ Provide emergency vouchers and grants to help those at risk of homelessness remain housed;
- ➔ Fully fund Housing Choice Vouchers (HCV);
- ➔ Fund a Federal Renters Tax Credit program to provide crucial relief to low and moderate-income families;
- ➔ Boost funding for the Housing Trust (HTF) and Capital Magnet Funds (CMF) by increasing the basis points for government-sponsored enterprise (GSE) user fees.

Beyond federal relief, the City must work with the state to extend the eviction moratorium until the economy can restart. The City should also do more to open the economy while keeping workers safe. Simple solutions like reducing the red tape

that small businesses face (as recommended in Scott's "Save Main Street" report) and using the power of the capital budget to create jobs are important steps we can take to help businesses hire while the state prevents eviction.

2. Extend eviction moratoriums and cancel rent:

State and federal efforts to extend eviction moratoriums until at least May 1, 2021 are good steps, but we need to be clear that the moratorium must last for as long as the economy remains on pause. If people can't work, they can't pay rent—and our policies need to reflect that reality. Scott has joined the call to cancel rent throughout the crisis and believes such a program can work with appropriate subsidies for small landlords and nonprofits that will need additional funding to remain solvent.

3. Raise the value and use of vouchers:

To prevent the shelter system from being overwhelmed, we must work with our state and federal partners before evictions resume unchecked. One critical tool the City has is its voucher system, which can provide individuals facing economic instability with immediate relief. Additionally, vouchers are currently the primary tool the city has to serve those who are currently homeless. However, these vouchers are only available for those in shelters, not those on the street. Individuals and families who do not wish to brave the often dangerous conditions in shelters are left without resources. Scott will end this practice and ensure that there are vouchers available for both those on the street and in shelter.

He will also increase the total number of vouchers and their dollar value to ensure they meet the fair market rent as defined by HUD. The current City voucher is worth only \$1,323 for a household of two in a one bedroom, while a comparable HUD voucher would be \$1,945. For the City's vouchers to be useful, they must be worth at least the fair market rent. Further, too often vouchers go unused because landlords illegally discriminate against those who receive voucher support. The City must do more to aggressively fine landlords who discriminate based on source of

income, and to educate voucher recipients of their rights. As Mayor, Scott will work to ensure our voucher system keeps pace with the cost of housing so it delivers real value to those most in need.

4. Expand the right to counsel:

The mere threat of a lawsuit or eviction is often enough to make an individual “self-evict”—even when a person is legally entitled to stay in their home. New Yorkers in these situations should not be alone in the fight.

Scott believes the City should guarantee the right to legal counsel in housing court by increasing funding to legal services and ensuring a universal right to counsel. At minimum, the City Council should enact Intro 1104, which would increase those eligible for counsel from 200% of the poverty line to 400% of the poverty line. Currently, an individual making minimum wage full time would not qualify for counsel—which is plainly unacceptable. Doubling the income threshold would help an additional estimated 56,000-71,000 individuals,¹ reducing the risk of homelessness for working New Yorkers.

5. Strategically convert permanently closed hotels and commercial spaces into Safe Haven shelters, supportive and affordable housing:

Today, it is estimated that some 200 of the city’s 700 hotels have closed, some permanently, due to the pandemic.² At the same time, Manhattan office space has a vacancy rate of 15.2%, or 61.4 million square feet, which is the highest it's been since 1994.³ While many of the city’s hotels and office space will come back in full operation as the economy reopens and invites an influx of new visitors and office workers, several of the city’s smaller hotels and commercial office spaces, including many outside of Manhattan, may be permanently vacant or take years to come back online. If the city does not act, these vacant and underutilized buildings will be targeted for conversion to fully market-rate housing, similar to lower Manhattan after 9/11.

Instead, Scott will create a new program, modeled after the Neighborhood Pillars program, that will allow qualified nonprofits to purchase these buildings and strategically convert permanently vacant and smaller hotels and office space into Safe Haven/Stabilization shelters, affordable and supportive housing with good, permanent building service jobs. Further, Scott will work with nonprofit providers to allow rent-regulated SRO units in these conversions where appropriate.

6. Assist affordable coops, small landlords and nonprofits:

Because small buildings and landlords have fewer units, they are more susceptible to volatile market conditions. For example, a building with only four units loses 25% of its income when a single tenant cannot pay. As a result, these buildings are especially vulnerable to speculators and in danger of sliding into disrepair. As Mayor, Scott will work to help nonprofits, limited equity coops, and small landlords who were hit hard by COVID by establishing a new program to provide financial and technical assistance in exchange for restrictive declarations including, but not limited to, preventing the eviction of tenants.

7. Continue capital spending on affordable housing:

For several months last year, City Hall paused capital spending for housing due to concerns over the city's fiscal outlook. This was shortsighted and unnecessary. We must recognize that developing affordable housing is an economic engine that provides both housing *and* good jobs—two of our city's greatest needs. As Mayor, Scott will accelerate the City's capital program to ensure that government subsidized affordable housing is being developed while the city's economy restarts. Moreover, he will ensure that capital subsidies are used to promote registered apprenticeship programs where appropriate, training programs for other industry sectors, local hiring, and wage standards, including prevailing wage for building service workers and construction workers where appropriate, and alternatively, a construction wage and benefit standard for construction workers commensurate with the cost to live and work in these communities. As a condition of receiving capital subsidies, recipients must commit to labor neutrality where employers

are prohibited from interference with workers' rights to organize and unions are prohibited from engaging in strikes during such organizing efforts.

PART II

A NEW GENERATION OF SOCIAL HOUSING

Our City's leadership used to understand that the private market alone will not deliver the housing we need. In the 1930s, Mayor LaGuardia created the first public housing in the nation, and built a legacy of permanent, deeply-affordable housing that exists to this day. In the 1950s and 60s, the Mitchell-Lama program resulted in over 100,000 homes for middle-class families. Together, these efforts gave generations of New Yorkers a secure, affordable home and a path to prosperity. Unfortunately, in recent decades, our City has taken the backseat to developers—and slid our city into a dual homelessness and housing crisis. Instead of asking the public-sector to lead, our City's leaders have turned the shop over to a small number of private developers. Instead of putting public dollars to work, our City's leaders have bankrolled sweetheart deals and tax breaks for big corporations. Instead of creating pathways to end homelessness with housing, we have segregated our housing and homeless agencies. And instead of promoting social housing that protects against rent hikes and displacement, we've doubled down on the false idea that a market with threadbare regulations and little incentive to create permanently affordable homes is the only model for housing.

As Mayor, Scott will invest in a new generation of social housing—permanently affordable, dignified and safe—to create more housing and advance the fight to end homelessness. And he will end broken tax breaks that utterly failed to address housing needs—and only widened inequality. Scott's plan will:

8. Build a new generation of social housing on vacant, City-owned land:

In 2016, Scott Stringer identified over 1,000 vacant lots owned by the New York City Department of Housing Preservation & Development (HPD), many of them

rat-infested blights that the agency had allowed to languish for decades. HPD claimed they had big plans for the lots, but a follow-up review by Scott in 2018 found little if any progress.⁴If we want to build thousands of units of new affordable housing for working families, we can start by leveraging all city-owned vacant lots—there are at least 2,936 vacant lots when those owned by HPD and other city agencies are counted, enough space for an estimated 40,000 units—which currently sit unused and undeveloped.⁵At a time when countless families teeter on the edge of homelessness, our City’s failure to turn these valuable assets into affordable housing is a tragic missed opportunity.

These publicly-owned properties offer a unique opportunity to build housing that is permanently affordable and targeted to the New Yorkers most in need. When the land is owned by the City, it’s the City that gets to call the shots about how the land is developed and for whom.

That’s why, as Mayor, Scott will create a New York City Land Bank and partner with nonprofit organizations and community-based land trusts to build 100 percent permanently affordable housing for tens of thousands of individuals making less than 30% and 50% of AMI on City-owned land.

Among other things, Scott’s plan would:

- ➔ **Put housing need first:** For too long, the City has created goals around the number of “affordable” housing units to be constructed, but failed to target those units to those most in need. The City can build 200,000 units of “affordable housing,” but if those units are not affordable to those who need help the most, such a strategy will never address our most acute housing challenge. Currently, 565,000 New York households pay over half of their income for rent, are severely overcrowded, or have been in homeless shelters for over a year. The vast majority of these New Yorkers are getting by on extremely low or very low incomes, typically less than \$51,200 for a family, per year. The City’s current goal to create roughly 8,000 new units of affordable housing each year doesn’t target the New Yorkers most in-need—but extends

to a wide range of incomes as high as 165% of AMI or \$168,960 for a family of three. As mayor, Scott will target the City's housing problem to address housing needs first.

Scott's plan will increase HPD's budget so that new construction of affordable housing on city-owned land would be developed for extremely low and very low income New Yorkers based on measurable needs: 77 percent of all new construction subsidized by the City would be set aside for extremely low income or below individuals and families, 21 percent for very low income or below, and the remaining 2% for all other incomes. Rents would be set to 30% of income using HUD income levels based on family size. Currently, extremely low income is defined as below 30% of AMI, or \$30,720 per year for a family of three, and very low income is below 50% of AMI or \$51,200 for a family.

- ➔ **Build the greatest number of permanently affordable homes in decades:** It is estimated that up to 40,000 new homes could be built on the 2,936 vacant City-owned properties that are suitable for development—setting the stage to deliver the most significant influx of permanently affordable housing in decades.⁶ Further, this program can be the source for good, permanent building service jobs and good construction jobs. City owned land is a public good and the public has control over how it is used. It should no longer be used for private interests. As Mayor, Scott will work with the nonprofit development community including community land trusts, limited equity cooperatives, mutual housing associations, and nonprofit rental developers to build this new generation of social housing.
- ➔ **Create a New York City Land Bank:** Scott has been a champion of creating a New York City Land Bank to turn underutilized property into affordable housing since 2016.

Land banks are publicly-owned, nonprofit institutions that specialize in turning vacant or troubled properties into housing and other critical community assets. Cities like Buffalo, St. Louis, and Cleveland have demonstrated land banks are a proven model for transforming underused lots for good.

For years, New York City’s primary strategy for developing affordable housing on City-owned lots has been to sell the property to a private developer in exchange for a small number of temporarily “affordable” units, that is often too far expensive for the residents of the neighborhood, adding more pressure to the local housing market. While this model has facilitated the creation of thousands of housing units, the City loses leverage by transferring titles, which weakens its ability to hold developers accountable and negotiate for greater and permanent affordability down the road—a bad deal for the City, for local communities, and for people seeking housing, but a windfall for private developers.

In contrast, a land bank would allow the City to maintain title to the land—potentially through a community land trust model—and work with nonprofit developers to achieve deeper and permanent affordability. Unlike HPD, which has left scores of City-owned lots vacant for a half-century or more, a land bank would have the sole mission of transforming City-owned and tax delinquent properties into deeply affordable housing, enhancing the City’s ability to advance projects quickly and enforce affordability thresholds over generations.

- ➔ **Partner with community-based land trusts:** Community land trusts are nonprofit, community-based entities that can guarantee that land is used for affordable housing in perpetuity. By working with community land trusts, the City can ensure that new housing remains permanently affordable and democratically controlled. As Mayor, Scott will exempt Community Land Trust-owned properties dedicated toward affordable housing from property taxes to help create viable rental and homeownership opportunities.
- ➔ **Identify additional City-owned sites:** As part of a comprehensive planning process, the City must reform its approach to capital planning. All sites that are being developed for new City services must be evaluated as potential affordable housing sites. In addition to vacant sites, the City owns 422 lots that

are classified as parking facilities, which could be used to create 16,470 units of permanently affordable housing. The city has an additional 1,339 lots classified as having “no use” that are neither vacant nor parking facilities, which could create an additional 10,250 units of housing. As Mayor, Scott will work with local communities to identify these and other potential affordable housing sites, break down agency silos, and think creatively about multi-use properties to identify additional affordable housing sites. Scott will ensure these sites will provide not only good paying construction jobs, but good permanent building service jobs in our communities. All units will be permanently affordable to extremely low and very low income households and constructed with New York City’s nonprofit development community.

- ➔ **Expand shared equity homeownership:** The city’s current flagship homeownership program, Home First, is a great example of using subsidies to make affordable “financing” a reality for homeowners. This is a useful way to bridge the financial equity gap that prevents many lower and moderate income New Yorkers from achieving homeownership, but it does not subsidize affordable homeownership, and that is an important distinction.

Shared equity homeownership models or Shared Equity Projects (SEP) actually subsidize homeownership by restricting the resale of housing with the intent of maintaining affordability for perpetuity. Purchasers within SEP models have significantly less mortgage debt and lower monthly payments than other similar purchasers, and SEP homes were more stable at the peak of the foreclosure crisis with fewer foreclosures.

As Mayor, Scott will make homeownership affordable to more families through the expansion of Shared Equity Projects with community land trusts.

➔ **The “right of first refusal”—fight speculation by giving Tenants an Opportunity to Purchase (TOPA) and Communities an Opportunity to Purchase (COPA).** Between 1993 and 2018, our city lost over 282,000 rent-stabilized apartments—a staggering blow to our affordable housing stock.⁷ One cause has been the rise of a new breed of real estate speculator whose entire business model is based on purchasing affordable housing and displacing long-time tenants.⁸ When ownership of a building changes hands, tenants can find that the new corporate landlord has only one mission: mass-evicting tenants in the hopes of a quick profit. Since COVID-19 has led to mass job loss, many tenants have been unable to pay rent and many landlords have therefore been unable to pay their mortgages. They have only been saved by the eviction ban and the forbearance of mortgages. Ultimately when these protections end COVID-19 will lead to a potential tsunami of foreclosures and property sales, the risk that these vulture investors will purchase and destabilize affordable housing is all too real.⁹

To stem the tide of speculation-fueled displacement, as mayor, Scott will fight to give tenants and communities the right of first refusal—an opportunity to buy their buildings when if it goes up for sale in partnership with a community land trust—and target affordable housing dollars to help tenants who purchase their buildings create new, social housing.

Together, these approaches can turn a potential sale to real estate investors into an opportunity to empower tenants and safeguard permanent affordability.

PART III

PRESERVE AFFORDABLE HOMES

New York City has a rich housing stock full of affordable units, and if we are to remain a city for people of all incomes and backgrounds, our affordable housing

must be preserved. Scott has a long history of opposing the weakening of rent laws in Albany, which contributed to our current housing crisis. While the rent regulation reforms in the Housing and Tenant Stability Act of 2019 will help re-stabilize housing, there is much more to be done to prevent disinvestment, stop the loss of existing affordable housing, and create additional units through preservation.

9. Double down on preserving existing affordable housing

As Mayor, Scott will fight displacement of existing residents and work to stabilize housing. And he will use the City's tools to more aggressively take control of distressed buildings from absentee landlords and slumlords. Scott's preservation plan includes:

- ➔ **Open data on rent restricted buildings:** The city has historically lacked the tools to ensure compliance for its affordable housing units, whether through subsidy or tax-abatement.¹⁰ As Mayor, Scott will create a transparent database of all buildings currently in an affordable housing program through capital grants, loans or tax incentives. This will allow the City and nonprofits to target buildings facing a loss of affordable housing due to deregulation in order to preserve units. Further, by making the list transparent to the public, tenants will be able to hold agencies accountable, which will help ensure a landlord is not able to fall out of compliance with affordable housing regulatory agreements.
- ➔ **Target preservation programs to maximize impact:** Preservation programs target buildings that are currently constructed and therefore are often fully or partially occupied. These buildings can be a source of not only affordable housing but prevailing wage service and construction jobs where appropriate, and alternatively where no construction prevailing wage applies, a construction wage and benefit standard for construction workers commensurate with the cost to live and work on these buildings, which creates a pipeline of work that offers new opportunity to earn good wages. As noted above, the need for

extremely low and very low income housing is especially acute. As Mayor, Scott will prioritize identifying buildings with a high percentage of extremely low and very low income tenants. Scott will create technical assistance programs for these buildings to help them stabilize and, where necessary, provide subsidy and tax exemptions in exchange for regulatory requirements. Further, where financially viable, Scott will require existing vacancies in subsidized buildings be targeted to extremely low income (30% of AMI or less) and very-low income (50% of AMI or less) and have a 15% homeless set aside.

- ➔ **Prioritize not-for-profit preservation:** Affordable housing preservation with private developers has the inherent flaw of lasting only as long as the regulatory agreement. The not-for-profit development community, however, will seek to preserve affordable housing in-perpetuity. To the extent possible, it is in the City's long term fiscal interest to partner with not-for-profits on preservation. Unfortunately, in order to save affordable housing, it is sometimes necessary to work with the owners who do not have a social purpose. As such, Scott will prioritize a minimum of 50% of all preservation capital dollars to go to the not-for-profit development community.
- ➔ **End the lien sale:** In contrast to a land bank, the City's lien sale allows private entities to profit off of public debt by either collecting large fees or forcing low-income owners, many of whom are long-time homeowners in communities of color, to sell their properties.¹¹ Scott will end the lien sale and replace it with a rational policy that protects homeowners, while targeting bad actors in the multi-family rental space for in-rem foreclosure.

Owner-occupied homes that are tax-delinquent will enter into fair payment plans. Unpaid tax liens on multi-family properties will be considered in conjunction with HPD violations to identify properties in a state of disrepair and eligible for in-rem foreclosure or purchase for affordable housing.

- ➔ **Get tough with bad landlords:** Too often, naturally occurring affordable housing is lost to speculators, slumlords and regressive city policies. Private actors are not exempt from their obligation to preserve buildings in a sanitary and sound

condition, and disinvestment in privately-controlled assets cannot be ignored. As mayor, Scott will step up for tenants by stepping up enforcement against bad actors. Under his watch, the City will take proactive steps to increase and collect fines on private rental property that violate the housing and building codes, and bring comprehensive class-action suits against negligent landlords to prompt third party 7A administrators to improve conditions for tenants. Further, Scott will work with legislators and the court system to ensure that these properties are ultimately taken from bad actors and turned into social rental or limited equity homeownership housing.

- ➔ **Leverage unpaid violations to build more affordable housing:** Any developer that fails to repair its properties must face penalties. In the past the City has failed to collect for ECB and HPD violations, allowing problems to fester and worsen. The City must not be complicit any longer. As Mayor, Scott will increase the financial penalty for continued noncompliance with violations and turn outstanding ECB and HPD violations into liens against the property. These fines, along with outstanding taxes and water and sewer bills, can be leveraged to create new affordable housing. If the repairs are not made and the fines are not paid, then the City can enter into a negotiated sale for affordable housing preservation or an in-rem foreclosure that can turn these properties over to qualified not-for-profits or into limited-equity co-ops. Scott will use the in-rem foreclosure process and the proposed Land Bank to turn properties in disrepair to affordable housing and good permanent service jobs.
- ➔ **Create opportunities for not-for-profits to purchase buildings:** As Mayor, Scott will seek to expand the City's Neighborhood Pillars program, which enables not-for-profit corporations to purchase buildings that are in disrepair or are potentially facing deregulation. Scott's plan will preserve more naturally occurring affordable housing through regulatory agreements and a social housing model.
- ➔ **Preserve existing limited equity coops:** Limited equity coops were among the first social housing in the city. They are structured like traditional coops, with residents owning shares in a building, but there's a limit on the profit that

members can make through resale, which incentivizes long-term affordability. Unfortunately, many limited equity coops in the city were not designed to be permanently affordable. Thousands of units have been lost over the years due to the City's disinterest and apathy. The problems facing these buildings are varied. Many affordable housing projects face deregulation due to expiring restrictions, such as Mitchell-Lama buildings, or through financial hardships that could lead to foreclosure, like many HDFC coops. As Mayor, Scott will work with these limited equity coops and advance new solutions, such as reforming J-51, to strengthen their finances and ensure they remain affordable for future generations.

- ➔ **Coordinate City agencies' lead response:** The City's record on lead remediation is abysmal and has fueled its own public health crisis, especially for our children. For years, the City failed to leverage its own data to perform lead inspections in buildings most likely to pose threats to children—never inspecting 9,671 buildings with documented cases of child lead exposure. Ultimately, 2,749 children tested positive for lead exposure in buildings that went uninspected for lead paint, even after the City was made aware of previous cases of lead exposure in the same buildings. Thirty five percent of buildings associated with three or more children with lead exposure were never inspected for lead by HPD. As Mayor, Scott will ensure HPD and the Department of Health and Mental Hygiene proactively test lead hotspots, fully fund LeadFreeNY, and dramatically increase lead enforcement of Local Law 1.

PART IV

PRIORITIZE NYCHA

The New York City Housing Authority is the most important source of deeply-affordable housing in the City. Home to over 600,000 New Yorkers when you count those who are living doubled up, NYCHA has a larger population than most cities—more than Baltimore, Sacramento, or Kansas City. Since its creation in the 1930s,

NYCHA has served as a safety net for low-income New Yorkers and a pathway to the middle-class for generations. And as neighborhoods throughout the City have gentrified and lost affordable housing, NYCHA has stood as a bulwark, guaranteeing that working New Yorkers will always have a place in the neighborhoods they helped build.

Unfortunately, decades of disinvestment, mismanagement, and neglect threaten the future of NYCHA itself. Today, the conditions in NYCHA apartments are often harrowing: lead paint, leaking roofs, broken elevators, and toxic mold. And the longer we wait to fix the problems, the worse they get. In the wealthiest city in the wealthiest country in the world, that is simply unacceptable.

To stabilize NYCHA for the long term, the federal government has to step up with funding for capital repairs. But our City cannot afford to wait for Washington to realize the importance of public housing. We need to act now, and urgently, to save this precious resource.

As Comptroller, Scott has done more to uncover mismanagement at NYCHA than anyone, and he has a deep understanding of what's broken at NYCHA and how to fix it. His detailed audits have found that despite persistent heating and boiler problems, NYCHA didn't even track how long it takes to resolve heat complaints.¹² He uncovered that NYCHA wasted millions of taxpayer dollars repairing roofs that should have been covered under warranties.¹³ He found that the City left NYCHA to police its own lead paint problems, leaving the children in public housing at a profound risk of lead poisoning.¹⁴ And he found that NYCHA left New Yorkers waiting for weeks, months, and even years before fixing serious problems like asbestos, leaky ceilings, and broken stoves.¹⁵

10. Reform NYCHA and secure the funding it needs

As Mayor, Scott will manage the hell out of NYCHA, reforming its dysfunctional operation and investing billions to make badly-needed repairs. Among other things, he will:

➔ **Advocate for the federal government to fully fund NYCHA's capital needs:**

For nearly two decades, both Republican and Democratic Administrations have underfunded NYCHA creating a backlog need of over \$45 billion and will continue to rise if not fully funded.¹⁶ As Mayor, Scott will lead a broad coalition of advocates and elected officials to lobby the federal government to meet its financial obligations to NYCHA by fully funding the capital backlog as part of any infrastructure bill.

➔ **Resident approval for development decisions:** For the last 20 years, the City has made many plans for NYCHA residents, but failed to make those plans *with* residents. The result has been understandable anger and mistrust. And worse, the City's plans have failed to meaningfully repair the derelict conditions in most NYCHA complexes. Whether repairs are being made by a government agency with public financing, a new housing trust like the blueprint model or through the use of programs like RAD, City reforms cannot continue to be made in a vacuum without engaging NYCHA residents. At present, public hearings concerning NYCHA are too often inconvenient or inconclusive. New York City can do better and engage every resident in a NYCHA complex with a ballot on development decisions. London followed this engagement model in the 1980's, connecting residents with housing professionals, providing independent expertise, and, most importantly, providing a voice to every resident on major development decisions.¹⁷ As Mayor, Scott will ensure that development decisions, as well as any major repairs program such as through the proposed public trust, are made in consultation with NYCHA residents by providing them a democratic voice in their own development decisions.

- ➔ **Reroute hundreds of millions from the Battery Park City Authority to NYCHA:** NYCHA's needs are enormous, and it will take sustained commitment at every level of government to address them. But New York can and must begin to fill that gap now—without waiting for Washington. The Battery Park City Authority, the agency created to oversee the construction and maintenance of that Lower Manhattan neighborhood, currently runs a surplus of roughly \$45 million a year. If ten years of that income were packaged together, the resulting \$450 million could be bonded to finance NYCHA's emergency capital and maintenance needs, until the federal government meets its financial obligations.¹⁸
- ➔ **Build a new system to track and manage maintenance issues:** Despite a mammoth backlog of badly-needed repairs, NYCHA's system of tracking and addressing individual complaints is broken. Not only does NYCHA lack the ability to track the status and completion of repairs for heat complaints and other issues, it frequently closes complaints without properly addressing the underlying issue at all.¹⁹ As Mayor, Scott will build a system that tracks all heating and other maintenance complaints and addresses them in a timely manner.
- ➔ **Create a modern inventory of NYCHA assets:** One reason why NYCHA neglects to address persistent problems is its failure to do even the most basic operational tasks, like properly accounting for all of NYCHA's assets. For example, despite chronic boiler problems, NYCHA does not even keep an accurate and complete inventory of its boilers, which severely hamstrings its ability to ensure that boilers are up to code and functioning properly.²⁰ Scott's 2015 audit of NYCHA revealed widespread failures to inventory equipment and supplies—a problem that left some \$100 million in inventory at risk.²¹ As Mayor, Scott will bring NYCHA a 21st-Century inventory system to improve operations and fight waste.
- ➔ **Engage NYCHA residents regarding possible development of new affordable housing, senior housing and other amenities on NYCHA sites:** For too long, Mayors have simply viewed NYCHA's properties as an untapped resource. Many of these development plans have failed because they were developed

in back rooms for the sites, but rarely with the residents. Mayors have asked NYCHA residents to trust them regarding in-fill, while failing to provide basic services like working elevators, mold free homes, and heat. As Mayor, Scott will engage with residents to understand their needs prior to developing any plan for their development and will work with residents to advance only resident centric proposals. In particular, Scott will work to provide 15,000 units of senior housing on NYCHA property, as originally proposed by Metro-IAF. The units can help provide NYCHA residents with a safe place to grow old on the campus they have called home. Finally, Scott will ensure public review of any proposed project by making sure any new development on NYCHA superblocks is reviewed under the city's Uniform Land Use Review Procedure (ULURP).

11. Establish wage and benefits standards for affordable housing:

New York City cannot continue to subsidize the cost of affordable housing on the backs of the workers who construct and maintain it. HUD already requires any affordable housing built in the city to comply with wage standards as outlined by the Davis Bacon Act, and the City requires other economic development projects to comply with prevailing wage laws. But when it comes to affordable housing, in many cases no such standard exists. As Mayor, Scott will work with community stakeholders and labor organizations to establish wage and benefit standards for projects where prevailing wage does not apply to ensure that every subsidized affordable housing project provides economic stability to not only those who live in it, but those who build and maintain it. The wage and benefit standard will be based on the actual cost to live in New York City. Further, Scott will ensure that all tax incentives and capital subsidies have a prevailing wage standard for building service, maintenance, and construction workers where appropriate. Finally, Scott will establish a robust local hiring program, as well as worker readiness and pre-apprenticeship programs to offer new opportunities for those interested in constructing affordable housing.

12. End wasteful tax breaks to private developers:

One of the cornerstones of our City’s broken approach to affordable housing is the wasteful 421-a program, also known as “Affordable Housing NY.” 421-a is a tax break designed to stimulate new affordable housing. But while the program costs taxpayers \$1.6 billion a year, four out of five dollars go to subsidize *market-rate* units—not affordable housing. And the “affordable” apartments the program creates, which aren’t permanently below-market, can rent for as much as \$3,100 a month—far higher than even market-rate apartments in many neighborhoods.

Take One57, an ultra-luxury tower looming over Central Park. There, taxpayers paid \$65.6 million to subsidize just 66 affordable units. If that money had gone to an affordable housing developer, it could have built up to 370 affordable apartments.²² In fact, according to one fiscal watchdog, 421-a led the City to waste as much as \$2.8 billion over an 11-year period that could have gone to badly-needed affordable housing.²³

As Mayor, Scott will work to end the failed 421-a program and reroute billions of public dollars to where they’re actually needed: financing permanently affordable housing that working New Yorkers can afford.

Scott would replace 421-a with a program that would:

- ➔ **Tailor subsidies to demonstrated need and fund deep, permanent affordability.** Rather than subsidize luxury developments, Scott would channel funding on a discretionary basis to projects that would create large amounts of deeply-affordable housing, include construction wage standards, and provide good, permanent building service jobs.
- ➔ **Mandate that all affordable housing supported through subsidies is permanently affordable.** If a developer chooses to take city tax dollars to support the creation of affordable housing, those units should be permanently affordable and not subject to sunset clauses.

- ➔ **Enforce transparency and accountability.** Under the current 421-a program, billions are handed out with minimal oversight. A report by ProPublica found that thousands of apartments created under the program weren't registered as required by law—and may not have been created at all.²⁴ Instead, Scott would mandate strict accountability and enforcement measures to root out and punish fraud.

13. Create a new operating subsidy program to finance deep affordability.

One of the biggest challenges to creating and maintaining housing for the lowest-income New Yorkers is the gap between what low-income families can pay in rent, and the cost of operating and upkeep.²⁵ Even when the government steps up to help build low-income housing, the need for continued financial support to pay for maintenance and other costs goes unaddressed—effectively undercutting the subsidy program to begin with. The result is fewer deeply-affordable units being built, and substandard living conditions being allowed to fester.

Our failure to offer meaningful support for operating expenses is penny-wise and pound foolish. When the City fails to help carry the cost of ongoing maintenance, a building's problems don't go away—they continue to degrade and require more significant expenditures down the road, once buildings are in, or near, disrepair. By using operating subsidies to fill the gap between revenues and ongoing costs, the City can both ensure that tenants have quality housing, and that capital subsidies are available to build *new* housing, rather than make costly repairs that should have been addressed years before.

As mayor, Scott would invest \$125 million a year in a new operating subsidy program targeted to assist the families that are most in need, and increase existing affordable housing capital subsidies to facilitate the construction of extremely low and very low income housing.

Rather than focusing simply on building the most amount of housing, Scott will ensure that all new construction is for those most in need by increasing HPD's

capital budget. Prior to changes in the capital budget ascribed to the pandemic, HPD had \$2.5 billion budgeted for new construction programs for fiscal years 2019 through 2022, or about \$630 million per year on average. Converting the city’s newly constructed affordable housing to the appropriate “needs based” income—77% extremely low income housing, 21% very low income, and 2% all other incomes—would require increasing average annual capital commitments by about 60 percent, or roughly \$370 million per year in additional capital funding. This increase, along with an operating subsidy, will be funded through reforms to the real property transfer tax as described in subsequent sections of this report, and allow the City to finance extremely low and very low income housing.

14. Establish a Tenant Bill of Rights:

One of the best ways to fight displacement is to give tenants the tools they need to protect their rights and guard against unscrupulous landlords. In 2019, the State Legislature passed landmark reforms that ushered in the strongest tenant protections in New York State history. But tenants can’t assert their rights if they don’t know that they have them. And because legal enforcement against bad landlords is largely driven by tenant complaints, ensuring that tenants know how and when to raise the alarm is a crucial component of cracking down on landlords that break the law.

As it stands, renters who wish to understand their rights practically need a law degree. Leases and law books are written in obscure language, with fine print that can hide critical details.

As Mayor, Scott will work to ensure that tenants understand their rights by requiring landlords to provide tenants with a clear and comprehensive Tenant Bill of Rights in every lease packet. Translated into numerous languages, the Bill of Rights will explain the basic protections available to tenants, such as their right to live in a safe, sanitary dwelling; the landlords’ obligation to maintain heat in winter; and City and State agencies that can help respond to unlawful conditions.

Prior efforts to require landlords to provide information to tenants, like laws that require landlords to disclose lead-based paint conditions, prove that mandatory disclosure can educate tenants and root out unsafe housing conditions.²⁶ And cities like Washington D.C., which adopted its own Tenant Bill of Rights in 2014, provide a replicable model for New York.

PART V

BUILD DEEPLY AFFORDABLE HOMES IN EVERY NEIGHBORHOOD

When it comes to diversity, our City has always had two dueling legacies. We are the great melting pot: a city where over 600 languages are spoken, where waves of immigrants have found their first foothold in America; and where people of every race, ethnicity, and background ride the subway together to get to work. But while we may take the subway together, we end our days at different stops. Because alongside our commitment to diversity and integration, there has always been a different, uglier legacy: of housing segregation, redlining, urban renewal, and out-of-control gentrification.

If we want to build a city where all New Yorkers—of every income and every background—live together, then the time for piecemeal, incremental housing plans is over. We need a transformational approach that brings deeply affordable housing to every corner of every borough and ends housing segregation.

That process starts by throwing out the de Blasio administration's developer-driven rezonings in communities of color. Under mayor de Blasio's leadership, the City has cherry-picked working-class Black and brown communities for rezonings, promising an influx of affordable housing but failing to define: for whom?

As a result, the housing that has been developed as part of the de Blasio rezonings have been unaffordable to the surrounding community—a driver of gentrification and displacement, not opportunity and housing stability. And because almost none of the neighborhoods that the Administration picked for rezoning are white and wealthy, his program does nothing to create opportunities for affordability and diversity in the City’s more advantaged neighborhoods.

As Mayor, Scott will bring real affordable housing to every community with Universal Affordable Housing. Under his plan, every big development in every neighborhood, whether it’s the Upper East Side or Brownsville, will be required to set aside 25% of its units for permanent, low-income housing. He’ll replace selective rezonings that benefit handpicked developers with real, comprehensive planning. And he’ll fight homelessness by funding new housing for the neediest New Yorkers in every community.

Scott’s plan will:

15. Mandate Universal Affordable Housing

Mayor de Blasio’s signature housing initiative—known as the Mandatory Inclusionary Housing program (or MIH)—sounded simple. Under the program, specific neighborhoods are rezoned to give developers the right to build bigger and higher than zoning rules ordinarily allow. In return, developers are supposed to make 20 to 30 percent of the new units affordable.

But by every measure, MIH is a failure. Most of the “affordable” housing created under the City’s “Housing New York” plan is for households making up to \$77,000 a year or higher, even though the most critical need comes from families earning less. And because the de Blasio administration has almost exclusively targeted low-income communities of color for rezoning, the affordable housing units that get built aren’t affordable to the people who live those communities. As a result, instead of helping to stabilize those communities against displacement, MIH has fueled speculation and gentrification.

When a planned rezoning of East New York was announced, land prices *tripled*, threatening to displace almost 50,000 tenants.²⁷ And incredibly, for all these downsides, de Blasio’s East New York program has created just 3,000 units during the entirety of his administration—an embarrassing flop, given the scale of our housing crisis.²⁸

As Mayor, Scott will replace de Blasio’s developer-driven approach with a Universal Affordable Housing (“UAH”) program that requires every big development—in every neighborhood—to set aside permanent, low-income, affordable housing.

The proposal would:

- ➔ **Require every as-of-right development with ten or more units to build permanent affordable housing.** Whether a development is a new complex in East Tremont, or a tower in Manhattan, we need all significant new construction to address our housing crisis. The era of luxury as-of-right development that adds zero affordable housing must end. UAH will replace all “optional” and “mandatory” inclusionary housing under zoning through an amendment. Under UAH, developers will be required to set aside 25 percent of all units, or floor area—whichever is greater—for low-income housing.
- ➔ **Require that units created under UAH are truly affordable:** Under Scott’s program, the units created under UAH will be targeted at an average of 60 percent of “area median income,” meaning they will be within reach to a family of three earning \$58,000 a year—like two individuals earning minimum wage and raising one child.
- ➔ **Use subsidies and tax exemptions to tailor units to the communities they’re built in:** While this program will radically change how as-of-right development is being built in the city, many neighborhoods will need additional support to build housing that’s affordable to their communities. In neighborhoods with a local median income lower than 60% of AMI, subsidies and tax exemptions

will be used to lower the UAH affordability levels to be affordable for those lower income communities. Additionally, in all neighborhoods, subsidies and tax exemptions will be used to increase the amount of the building dedicated to affordable housing and to make the units affordable to individuals who are extremely low income housing (30 percent of AMI) and very low income (50 percent of AMI). As mentioned above, these tax exemptions and subsidies will ensure the provision of good paying construction jobs and good, permanent building service jobs.

Since first outlined by the Comptroller's office last year, many real estate apologists have said that UAH will grind all construction to a halt. This is not the first time we have heard these arguments. Every time 421-a reform is proposed, zoning regulations are changed, or worker safety provisions are added, the refrain is the same. But affordable housing mandates have not historically stopped development. There are hundreds of such programs across 25 states.

Other cities like San Jose and Portland have passed city-wide affordable housing requirements like UAH and have survived legal challenges that rose as high as the U.S. Supreme Court. The data shows these programs have not led to dramatic drops in housing production, and have successfully leveraged new development to help subsidize affordable units and create more economically diverse and inclusive communities.

The temptation to give in to gloomy forecasts may be particularly acute now, when a global pandemic has brought about a nationwide recession. Construction has slowed, and like in 2008, people may rightly wonder when the recovery will begin. But our city cannot be governed by fear or austerity in a down cycle—that would be a mistake with grave consequences. It can manage the crisis by spending capital dollars to keep the economy going and working to restart its economy.

And it can trust that development will restart on the other side of this recession—even with an affordable housing requirement in all as-of-right buildings.

Development will not stop because demand for housing in New York City is high, and that demand will drive the marketplace. In order to maintain their current level of profitability, developers will likely pay less for the land they are constructing on. It is speculators, not developers who are most at risk over this proposal in the long term. While it is possible for development to slow while land prices reset, the city can use a discretionary tax benefit to ensure development can continue where there is a true demonstrated need.

16. Replace Developer-Driven Rezonings With Comprehensive Planning

Long-term, comprehensive planning is a critical tool for local governments. It helps ensure that a city's needs are assessed holistically; that plans for growth and development are aligned with the city's values; and that benefits and burdens are distributed fairly. In London, for example, a 2017 comprehensive plan sets out an “integrated economic, environmental, transport and social framework for the [city's] development over ... 20-25 years.”²⁹

Unfortunately, New York's approach to planning is anything but comprehensive. While the Department of City Planning and the City Planning Commission develop discrete land use plans, critical elements of comprehensive planning—from transportation, to economic development, and parks—are scattered across a range of city agencies, leading to disjointed plans and a failure of coordination. Where we live, where we work, and how we get back and forth are deeply related. Unless we assess these issues together, we will never rise to the challenges our city faces—from affordability to the climate crisis—over the long term.

The de Blasio administration's approach to neighborhood rezonings is a perfect example of what happens in the absence of comprehensive planning. Instead of approaching our housing needs from a citywide perspective that asks every neighborhood to do its fair part, the de Blasio administration has pursued

developer-driven rezonings in a cherry-picked set of low-income communities of color. The result is deep distrust in communities that understand the need for new housing, but don't want their neighborhoods to be dumping grounds for ill-considered development. Communities often only see market rate construction without public benefits, instead of developments that provide true affordability, construction jobs with a wage standard, and prevailing wage building service work.

To build the housing we need, New York needs a different approach, one that takes a comprehensive view of development, and gives New Yorkers the confidence that a careful and fair assessment of housing needs—not political favors for developers—drives land use decisions.

Scott's framework for comprehensive planning would:

- ➔ **Establish an Independent Long-Term Planning Office charged with developing a citywide comprehensive plan:** This new office would have primary responsibility to generate a citywide comprehensive plan based on needs, development goals, and careful community consultation. To ensure that the office has the credibility it needs to do its work, it will be an independent agency, similar to the existing Independent Budget Office. And with respect to housing, it will have a mandate to develop plans that authorize the housing we need, with no community singled out for over- or under-development.
- ➔ **Require public review of a binding comprehensive plan:** For a comprehensive plan to accomplish its goals, it has to have real legal teeth—not just sit on a shelf. And to make sure that the plan reflects the public's values, it needs to be approved by the City's elected officials, with input from Borough Presidents and Community Boards. To that end, Scott would amend the City Charter to establish a public review process for the City's comprehensive plan, akin to the City's existing ULURP process. That process would give the City Council an opportunity to amend the plan, and then direct the Council to adopt it with an up-or-down vote. If the mayor altered the plan after it was passed, the Council

would have the opportunity to overturn the Mayor's changes by a two-thirds vote.

- ➔ **Reform the Environmental Impact Statement process by adding racial impact studies:** One of the most critical processes that impacts New York City's rezonings is the Environmental Impact Statement process (EIS). It helps determine whether the city or a developer needs to provide parkland, school seats, or transit investments as a part of a rezoning. But, currently, it fails to assess the impact of development on historically oppressed communities. From redlining and segregation to pollution and environmental impacts, historically Black and brown communities have suffered directly from the city's policy decisions. New York City can no longer afford to ignore the intersection of poverty, race and social burdens. As Mayor, Scott will include racial impacts in environmental impact statements to ensure all developments comply with the basic principles of equity. Further, these studies can be used city-wide to ensure capital planning is not provided simply in a response to zoning, but rationally based both on need and to correct long standing historic inequities.

- ➔ **Thoughtfully upzone to increase density:** New York City must continue to grow its housing market in order to keep up with its growing demand. However, it is not enough to simply add to the housing supply and expect that the free market will meet the city's affordable housing needs. The City must pursue upzonings in a responsible manner. Rezoning must seek to increase the net affordable housing supply and add density without displacing existing affordable units, and to integrate wealthier, high-opportunity neighborhoods. One of the strongest determinants to a child's outcomes later in life is the zip code they are raised in. Evidence suggests that where you are raised affects everything from health, to **educational opportunities, employment and earnings**.³⁰Wealthier neighborhoods create opportunities for all those living in the community regardless of income. Scott will pursue thoughtful upzonings to maximize the opportunity to provide affordable housing as part of a larger community planning process.

- ➔ **Build more affordable housing near transit:** Access to transit is essential for reaching jobs, resources, friends, and family. We should be encouraging the development of affordable housing options for lower-income New Yorkers around the dozens of subway stations and commuter rail stations across the city that are relatively underutilized and have the capacity to serve more people.

17. Allow Tenants to Build Credit

Every month, New York City tenants hand over a rent check to their landlord. However, unlike homeowners who see a boost to their credit history every time they make a mortgage payment, renters see no financial benefit for paying their rent. As a result, tenants miss out on a major opportunity to boost their credit profile, often forcing them to pay more for essentials like cell phone plans and auto-insurance, or face restricted access to financial products like business or student loans. This dynamic only exacerbates the City's worsening affordability crisis. In neighborhoods with very low average credit scores, more than 90 percent of the population are people of color and 78 percent rent their homes.

As Comptroller, Scott issued a groundbreaking report showcasing how tenants could benefit from opt-in programs that would report their rent payments on their credit histories and help them gain the same benefit to their credit scores as homeowners paying off mortgages. According to Scott's analysis, reporting rent would hand 28 percent of New York City renters a credit score for the very first time, weighing out on average to a "prime" score of 700. An estimated 76 percent of renters participating in such a program would see their scores rise, and a further 18 percent would see gains in their credit history and profiles. To demonstrate the value of such programs, Scott has teamed up with tenant organizations, non-profits, and financial literacy groups to pilot rent reporting programs offered to residents.

As Mayor, Scott will bring the option to have rent payments reflected on credit to NYCHA tenants. Studies suggest 65 percent of renters receiving housing subsidies have subprime credit scores.³¹ Offering an opportunity for NYCHA residents to

opt-in to a free, voluntary program could help grow credit ratings among residents and create new economic opportunities as well. Paired with strong financial counselling and financial education initiatives run out of the Department of Consumer Affairs, a rent reporting program run by the City's largest landlord could have a transformative impact on boosting credit scores across neighborhoods and make New York City a more affordable place for all.

PART VI

FIGHT HOMELESSNESS WITH HOUSING AND SUPPORT

While spending on homelessness has more than doubled since de Blasio took office—to more than \$3 billion a year—our City has virtually *nothing* to show for it.³² Even before the pandemic, the City's shelter population was growing at a record pace. And now, COVID-19 has acted like a match in a tinderbox, exacerbating the challenges facing families and single adults already in our shelter system and putting thousands more on the brink of eviction.

In the wealthiest city in the wealthiest country in the world, allowing nearly 17,000 of our children to sleep in shelters every night is a disgrace.³³ Further, the city has failed to address the rising single-adult shelter population, which has reached an all time high of more than 18,500 individuals.³⁴ And the City's current approach of throwing more and more money into temporary shelter capacity—like converted hotels charging exorbitant rates—is a band-aid, not a permanent strategy.

To chart a new course and end homelessness, Scott understands that we need an approach that gets at the root causes—namely, housing. All New Yorkers should have the opportunity to have a safe, stable roof over their heads, no matter their background or the challenges they face, from mental health crises to substance use and domestic violence. First and foremost, as noted above he will build housing for those who are homeless or at risk of becoming homelessness to ensure our housing and homeless plans are one. His plan will:

18. Address the intersection of domestic violence and homelessness: The leading driver of homelessness in New York City today is domestic violence, accounting for 41 percent of the family population entering homeless shelters.³⁵ Further, many single adults who enter the shelter system come from unstable homes that often include incidents of domestic violence. To address this challenge, the City and State must take a comprehensive approach that increases the capacity of shelters that specialize in domestic violence; reforms lease termination laws so that survivors don't need to obtain a court order or alert their abuser to leave an unsafe home; and provides a new statewide rent supplement to assist vulnerable populations that include domestic violence survivors.

19. Increase the availability of stabilization beds and Safe Haven beds: Safe Haven and stabilization beds are less formal spaces with fewer restrictions than regular shelters. These beds are a proven way to assist those who the traditional shelter system fails to reach. As Mayor, Scott will prioritize working with providers to increase the number of shelter beds and will work to improve the conditions of existing shelters.

20. Prioritize a housing first model with supportive housing: Currently there are approximately 18,500 single adults in our shelter system, a population which has been steadily increasing by 1,000 new adults each year. Many of these individuals also experience mental health or substance use challenges or have other needs for supportive services. Supportive housing—affordable housing that includes onsite services that help people overcome the challenges they face—is the proven and cost-effective way to address chronic homelessness of single adults. Unfortunately, not all supportive housing providers have the range of services necessary to place high-needs individuals. As Mayor, Scott will review existing supportive housing contracts and ensure that the system has the wealth of services necessary to serve homeless individuals. Further, with homelessness among single adults rising by 1,000 individuals per year, the pace of development of supportive housing is too slow. Scott will work with the state to expand our supportive housing network by an additional 30,000 beds over the next 10 years to meet the growing need.

21. Remove agency silos regarding social services and homelessness: Individuals do not only enter the shelter system by eviction—many enter after being in a hospital, a correctional facility, or other social service entity. Each time a City agency or institution interacts with a person, it is a chance to stop homelessness before it starts with an integrated, citywide approach. However, only DHS is graded in the Mayor’s Management Report on whether it is taking steps to reduce homelessness. Scott will break down silos between the nearly dozen City agencies servicing homeless New Yorkers and hold all agencies and institutions accountable for proactively intervening before individuals enter the shelter system.³⁶

22. Set aside 15% of all affordable housing units for the formerly homeless: The City Council passed legislation requiring that 15 percent of all newly *constructed* units be set aside for formerly homeless families and individuals, and HPD policy requires the same for all newly *preserved* units.³⁷ This is an important step in the right direction, and one Scott has advocated for for years. Homeless families or individuals who enter a subsidized unit are far less likely to re-enter the shelter system than an individual entering a market rate unit, according to the Mayor’s Management Report. Additionally, Since 2015, between 1,500 and 2,000 homeless or families have been placed in NYCHA housing each year.³⁸ Scott will ensure more homeless individuals and families are able to enter NYCHA housing by the number of units that are available for need-based priority placement in NYCHA. As Mayor, Scott will prioritize reducing the shelter population by setting aside a minimum of 15% of all affordable housing units for those in the shelter system.

23. Streamline housing placement and adopt a Rapid Rehousing system: A housing first model necessitates cutting through bureaucracies and coordinating agencies. The city’s success in reducing homeless veterans was due in part to providing resources by constructing affordable housing or providing vouchers; providing mentors and peers to help provide support; and making placement of veterans a priority among agencies. The city must create a rapid rehousing program, that creates a priority of streamlining both supportive housing and general affordable

housing placements. As Mayor Scott will ensure that agencies work together to streamline the process for housing homeless individuals and families. As discussed in Part I, Scott will also expand the use and value of City vouchers.

PART VII

PROMOTE AND PROTECT HOMEOWNERSHIP

In America, homeownership has always been a central path to build generational wealth. Unfortunately, as housing prices soar, and once-reliable middle-class jobs are replaced by low-wage service work, young people are finding that homeownership is a distant dream.

The inaccessibility of ownership has an especially stark effect on the racial wealth gap. A century of racist and segregationist policies to promote homeownership in white communities while denying homeownership in communities of color has created a profound disparity in household wealth. The typical white family has a net worth of \$171,000—about ten times greater than that of a Black family.³⁹ And, disturbingly, the problem has by some measures gotten worse. Today, the gap in the homeownership rate between Black and white families is greater than it was when the law allowed a homeowner to refuse to sell a home to a person of color.⁴⁰ And in New York City, Black and Hispanic borrowers receive less than 16 percent of home loans—despite being a majority of the population.⁴¹

As Mayor, Scott will make homeownership a reality for more working New Yorkers. He'll ramp up loans to help first-time homeowners make a downpayment, and help all homeowners make badly-needed repairs. He'll reform regressive property taxes that favor all-cash buyers over homeowners that need to take out a mortgage. And he'll allow homeowners across the City to create small apartments—called accessory dwelling units—to earn the income that comes from the rental.

Scott's homeownership plan includes the following priorities:

23. Expand Loans to Help Homeowners With Purchases and Repairs

Prospective homeowners consistently report that one of the largest barriers to buying a home is the inability to pull together a down payment.⁴² In New York City, where today the typical home sells for about \$660,000,⁴³ amassing a 20 percent down payment is a daunting challenge for far too many.

At the same time, even when the paper value of a home is considerable, low-and-moderate income homeowners can struggle to keep up with the cost of ongoing repairs. The result, particularly for seniors on fixed-incomes and other working New Yorkers, is all too often an unwanted sale, or even the loss of a home altogether.

To help first-time homeowners afford a downpayment, and assist struggling homeowners with the cost of repairs, Scott will expand the City's HomeFirst and HomeFix Programs:

- ➔ **Expanded HomeFirst to assist New Yorkers purchase homes:** Under the HomeFirst program, first-time homebuyers can receive \$40,000 toward a down payment or closing costs. With new resources, the HomeFirst program can assist more New Yorkers, and expanded eligibility criteria could help more people become homebuyers.
- ➔ **Expand HomeFix to ensure individuals can make necessary repairs:** Under the HomeFix program, the City extends to eligible homeowners low-interest, no-interest, and sometimes forgivable loans to make repairs or provide other assistance. By expanding this program, our City can ensure that low and moderate income homeowners—too often ignored by financial institutions—don't lose their homes because they are unable to finance needed repairs.

24. Keep the promise of TIL

Since the 1980s, the City has owned many residential buildings that are being managed by tenants as part of the Tenant Interim Lease (TIL) Program. Under the TIL program, the City rehabilitates a building, and then sells it to tenants for \$250. But after 30 years into the program, the City has changed the deal and is converting the buildings using the ANCP program (Affordable Neighborhood Cooperative Program), blindsiding tenants who put decades of sweat equity into their homes. In the new program, HPD selects an outside developer, finances the property with debt, and sells or rents the building to tenants. While the program has converted several buildings into affordable housing coops, it has significant flaws. ANCP charges large maintenance fees to tenants, which forces many residents to apply for Section 8 benefits; tenants feel disconnected from the development process; and the building is left with significant debt and often sits vacant for years.⁴⁴ As Mayor, Scott will work with the tenants to create a financially sound model that will realize the original promise of TIL and create affordable homeownership buildings.

25. Create new paths for existing affordable TIL/HDFC coop.

Over the decades, the city has created several affordable homeownership models, including HDFC Coops. Unfortunately, many were created without proper financial controls. In 2018, the city put 60 HDFC coops up for in-rem foreclosure through the Third Party Transfer Program. Many of these buildings were allowed to go years without paying taxes and had no intervention by the City, which made the final tax bill too large to easily pay off. At least 50% of these HDFC's were in poor financial situations, in part because the regulatory agreement siphoned 40% of the profit of each sale to HPD as part of the "60/40" program.⁴⁵ The Third Party Transfer system should be used to take buildings away from slumlords, but instead is too often weaponized against lower income New Yorkers to take away the equity they had in the property, and turn them into renters. HDFC coops are not uniform and a one-size fits all approach to the buildings must end. Scott will work with HDFCs to better understand their needs and create a variety of tools from tax exemptions and

subsidies for those needing large intervention, to low interest loans and regulatory agreement changes for those needing less help.

26. Close tax loopholes for cash-rich buyers and lower taxes for middle class homeowners

One of the most perverse elements of our property tax system is the regressive Mortgage Recording Tax (MRT). Today, home purchasers of all kinds pay a tax—called the Real Property Transfer Tax (the RPTT)—on the purchase price of their home. But those who pay for a home using a *mortgage* pay an additional tax—the MRT—on the value of the mortgage they used to pay for the home.

As a result, New Yorkers who buy a home with a mortgage pay higher taxes than those who buy homes in all cash—like real-estate investors and the wealthy. Not only is that unfair and nonsensical, it puts a thumb on the scale in favor of cash purchasers over those who need a mortgage, accelerating the unfortunate trend of homes changing hands from individuals to financial institutions and investors.

As Mayor, Scott would work with Albany to scrap the Mortgage Recording Tax altogether, and replace it with a new, more progressive Real Property

Transfer Tax. A reformed RPTT would not just lessen the burden on middle-class homeowners, it would scale up taxation on high-value transfers, bringing in up to \$400 million in new annual revenue that can go to building affordable housing.

27. Allow Homeowners To Build Accessory Dwelling Units

Across the country, states and localities are clearing the roadblocks that prevent homeowners from turning small portions of their property—like basements and garages—into modest apartments.⁴⁶ For young families struggling to make mortgage payments, the extra income that comes from the rental can be the difference that makes homeownership sustainable. And in gentrifying neighborhoods, the extra income can help seniors and other long-time residents stave off foreclosure. At the same time, renters get badly-needed affordable housing. Because they are

generally smaller and more modest than other apartments, these units—known as Accessory Dwelling Units (ADUs)—tend to be less expensive than existing housing options.

In many neighborhoods, moreover, basement and other small apartments are already rented on a shadow market. But without legal status, the tenants, many of whom are low-income and first-generation Americans, lack the protections and safety measures that come with legal occupancy.

New York City has already experimented with legalizing basement apartments through the Basement Apartment Conversion Pilot Program, a promising effort that has become the victim of shortsighted cuts by the de Blasio Administration. But with jurisdictions across the country already successfully building ADUs we can, and should, be bolder.

As Mayor, Scott will create a new zoning category—the accessory dwelling unit—that allows homeowners to build small rental apartments on their properties, while providing robust safety standards and protections for renters. Among other things, his reforms will:

- ➔ **Work with local communities to relax zoning and other rules that block ADUs:** At present, there are a number of rules that make it either impossible, or too costly, for homeowners to build ADUs. For example, some 15 percent of the City is zoned exclusively for single-family homes, meaning it's illegal for a homeowner to create a small basement or backyard apartment. Elsewhere, inflexible parking requirements prevent homeowners from converting a garage to an apartment, and outdated setback and ceiling-height requirements make creating an ADU infeasible. To make ADUs a reality, Scott will work with communities to relax the rules that prevent ADU creation, while adopting new tailored rules to ensure that units are safe and habitable, and do not strain residential infrastructure where capacity is limited.

- ➔ **Cut red tape to make it easy for homeowners to build ADUs:** To promote ADUs, we need a fast, streamlined process that homeowners can understand. To that end, Scott will allow homeowners that satisfy basic requirements to build ADUs as-of-right, with quick decisions on permitting applications within 60 days. He'll ensure that the City makes pre-approved ADU plans available, to help lower the costs of design and construction. And he'll partner with community-based organizations to help homeowners navigate the process.
- ➔ **Help low-and-moderate income homeowners receive financing assistance to build ADUs:** While many low-and-moderate income homeowners will want to build ADUs, some will find it difficult to secure financing for ADU construction through traditional financial institutions. As a result, the City should develop a program, modeled off the Basement Apartment Conversion Pilot Program, that offers eligible homeowners financing assistance in return for an enforceable commitment that the units created will be affordable housing. Any owner that receives a subsidy should be subject to regulatory agreements and enforcement mortgages that ensure tenants can only be evicted for good cause.

Endnotes

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