



VIA EMAIL: INFO@CHARTER2019.NYC

December 31, 2018

Ms. Gail Benjamin
Chairperson
Charter Revision Commission 2019
250 Broadway, 14th Floor
New York, NY 10007

RE: Charter Reform Proposals 2019

Dear Chair Benjamin:

The Local Initiatives Support Corporation's New York City program (LISC NYC) appreciates the opportunity to provide comments with respect to the Commission's comprehensive review of the New York City Charter ("Charter") in anticipation of presenting to voters for approval a new or revised Charter in November 2019.

Established in 1979, LISC is a national nonprofit housing and community development organization dedicated to helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity. LISC mobilizes corporate, government and philanthropic support to provide local community development organizations with loans, grants and equity investments; as well as technical and management assistance. Our organization has a nationwide footprint, with local offices in 33 cities. LISC invests approximately \$1.4 billion each year in these communities and our work covers a wide range of activities, including affordable housing, economic development, building family wealth and incomes, education, and creating healthy communities.

LISC NYC has helped to rebuild neighborhoods across the City by investing over \$2 billion in capital, resulting in over 40,000 units of affordable housing and over 2 million square feet of retail and community space. In 2017 alone, LISC NYC supported our local partners in preserving and developing roughly 1,500 units of affordable housing.

General Comments On Land Use & Need For Equitable Economic Development

LISC NYC believes that the Commission should prioritize land use and capital planning as it reviews the Charter to determine how it should better reflect the multipronged challenges of rapid population and development growth, deferred maintenance of municipal assets, and the growing levels of socioeconomic inequality in our City.

During the last decade, rapid growth has contributed to: (1) an unprecedented crisis of housing affordability and homelessness; (2) a phenomenon of residential displacement that has eroded the social fabric of many historically, low-income communities; and (3) a difficult operating environment for small businesses and industrial facilities in our commercial districts creating increasingly difficult barriers to entry for entrepreneurs. Alongside these unintended consequences of growth, the current land use and capital-planning framework has not been effective in promoting strategic and necessary investments in key municipal assets like mass transit, public housing, and homeless shelters.

In our view, the current land use and capital planning process is cumbersome, ad-hoc, and too developer-driven. This ad hoc process mainly determines whether the City will steer public infrastructure investment, or not, to any particular community. Currently, if the economics are right and there is interest by a developer, the City may assess how to support the project with additional amenities such as streetscape improvements, new schools, new parks, new bus routes, and new libraries. Once made aware of a potentially large residential or commercial development, often without their input, communities often engage the land use process through its regulatory and political levers to delay or cancel planned developments. The fear and apprehension as to whether or not benefits will accrue to long-term or new residents is a strong enough motivator to forestall new amenities in the community.

Nonprofit developers working to deliver mission-critical investments, like affordable and supportive housing, often face obstacles in this process as well by having to compete with economically minded developers for financing and land, and by devoting organizational resources to address community concerns when a development serving low-income or vulnerable populations is underway. Given the magnitude of the affordable housing crisis, the land use and capital appropriation process should not encumber mission-critical investments aligned with community needs and sponsored by trusted nonprofits.

This ad-hoc process has not effectively expanded opportunities for low-income communities at a significant enough scale to connect them to the jobs, housing, schools, transit and neighborhood facilities key to economic mobility and social well-being. It is therefore not surprising that each of our mass transit, public housing, and homeless shelter systems now face massive infrastructure needs. What has been missing from land use is a strategic, comprehensive, and holistic understanding of infrastructure needs at the community level to guide both public and private investment.

In our view, the processes that govern land use and the appropriation of capital financing should not only support the long-term infrastructure needs necessary for the City to remain globally competitive, but also affirmatively promote a framework of equitable economic development that invests in projects and businesses that build the social, physical and economic assets of low-income residents. Such a framework will require a Charter that robustly supports comprehensive and proactive planning intentionally guided by criteria that promote equity, transparency, accountability, sustainability, resiliency, and Fair Share principals.

Below are three recommendations that in our view, as well as in the opinion of many stakeholders in the housing and community development movement, may steer the City towards an equitable economic development framework.

Charter Reform & Operationalizing Equitable Economic Development

First, and as a blueprint for future economic growth, LISC NYC supports a Charter requirement for a comprehensive citywide plan informed by infrastructure targets and Fair Share requirements at the community-district level. A comprehensive citywide plan would incorporate the following multi-pronged framework:

1. Build on the long-term, equity and sustainability goals promulgated in the OneNYC plan;
2. Assess and quantify community-district level needs for key infrastructure including affordable housing, supportive housing, public housing, schools, open spaces, commercial spaces, hospitals, transit, and other neighborhood facilities;
3. Be informed, and periodically updated, by a thorough community stakeholder engagement process;
4. Have community-district level goals and outcomes aligned with the City's various infrastructure plans including the Capital Commitment Plan, the Ten Year Capital Strategy, Housing New York 2.0, the New York City 15/15 Supportive Housing Initiative, Turning the Tide on Homelessness, and NYCHA 2.0;
5. Have community-district level goals and outcomes aligned with the City's obligations to affirmatively promote fair housing and promote workforce development particularly amongst low-and moderate-income communities of color;
6. Require the City to leverage private capital and negotiate Community Benefits Agreements in support of community district-level infrastructure targets identified in the plan; and
7. Incorporate Fair Share requirements and/or targets for each community-district when siting municipal facilities such as shelters, waste transfer stations, correctional facilities.

Secondly, LISC NYC supports a Charter requirement steering the disposition of publicly owned land towards developers who meaningfully engage in partnerships with mission-driven stewards of real estate such as nonprofit developers, community land trusts, cooperative ownership entities like the JOE NYC, and B Corps. Publicly owned land is a scarce and highly essential resource for effectively financing infrastructure and building community wealth. Mission-driven stewards incorporate business strategies that affirmatively promote equitable economic development. These strategies include: (1) robust and inclusive stakeholder engagement; (2) intentionality around maximizing the amount of affordable housing and commercial spaces affordable to companies offering middle-skills jobs to low-income residents; (3) a commitment to permanent affordability and long-term, quality stewardship of real estate assets; and (4) prohibitions against speculative real estate practices like overleveraging properties with debt and turning over tenant populations. Strategies such as these serve well to stretch the impact of public subsidies and in our view, are the strategies best suited to address the challenge of the unrepresented affordable housing crisis in the City.

Thirdly, LISC NYC supports a Charter requirement for the City to convene periodically a panel of experts charged with reviewing and updating the metrics and methodologies governing the

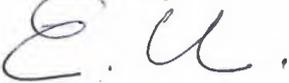
Comprehensive Environmental Quality Review (CEQR) process. Within the context of rapid growth and rezonings, direct and indirect displacement of residential and commercial tenants has become an ongoing concern in the communities we serve. The CEQR methodologies have not kept pace with the changing social and environmental landscape of the City and may be underestimating the potentially adverse impacts from real estate development such as displacement, congestion, and long-term public health. In our view, the CEQR methodologies must factor a wider scope of populations who may be at risk because of new development including low-and moderate-income renters living in unregulated housing, renters living in rent-regulated units, renters paying preferential rents, and locally owned small businesses.

Additionally, the CEQR should account for the inventory of unused floor area space in the nearby real estate stock that may induce displacement subsequent to a planned project. New development, or the rumors of new development, often accelerate rental prices in a community. Seeking to leverage the economic opportunities from this rental price appreciation, owners with unused floor area ratios in their properties may seek to demolish and/or redevelop their properties at the expense of preexisting tenants.

LISC NYC remains committed to a comprehensive approach to community development. We will continue to work with local partners, including City Hall and the City Council, to help catalyze opportunity in our neighborhoods.

Please feel free to contact me at eubiera@lisc.org or 212-455-9584 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. U.', with a small flourish at the end.

Edward Ubiera
Director of Policy
LISC NYC

cc: Indiana Porta, Director of Outreach & Counsel, Charter Revision Commission 2019