

**Testimony of Edward Ubiera**

**Director of Policy**

**LISC NYC**

**New York City Council**

**Committee on Housing & Buildings**

**Fair Housing**

**Proposed Int. No. 0601-2018**

**Proposed Int. No. 0607-2018**

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Thank you Chair Cornegy and members of the Committee on Housing & Buildings for convening today’s hearing on the matters of Proposed Int. No. 0601 and Int. No. 0607, each with stated goals of affirmatively furthering fair housing. I am submitting this written testimony on behalf of LISC NYC.

**About LISC**

LISC is a national nonprofit community development financial institution (CDFI) supporting local champions of equitable development with financing, capacity building, and technical assistance. For almost 40 years, we’ve been on the ground building affordable housing and improving communities in collaboration with mission-driven organizations, government partners, and corporate leaders. Since our founding in 1979, we’ve helped to rebuild neighborhoods across New York 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, we supported our local partners in preserving and developing roughly 1,500 units of affordable housing.

**Current Federal Commitment & Resources Furthering Fair Housing Are Unclear**

Residential racial segregation in New York City remains stubbornly high reflecting consistent bias in the rental marketplace, past exclusionary practices like redlining, and current market conditions impacting housing affordability and access. In 2015, LISC applauded the federal Department of Housing and Urban Development (HUD) when it promulgated the Affirmatively Furthering Fair Housing (AFFH) final rule fulfilling an unmet mandate of the Fair Housing Act of 1968. As this committee is aware, earlier this year HUD announced an extended deadline to all local government consolidated plan program participants to be in compliance with the AFFH rule until after 2020. We remain deeply concerned with this delay in HUD’s implementation of the fair housing rule because it is critical to ensuring that all communities have a path forward and the tools necessary to overturn patterns of historic segregation.

**LISC Supports Local Efforts That Further Fair Housing**

With the “Housing New York 2.0” plan, the “New York Works” plan, and the “Mandatory Inclusionary Housing” (MIH) program, Mayor de Blasio has taken great strides in charting a path towards a more inclusive city. We applaud Mayor de Blasio for his decision to proceed with a comprehensive fair housing engagement and assessment process similarly modeled to the processes promulgated in HUD’s AFFH final rule called, “Where We Live NYC.” LISC NYC expects to fully participate in the “Where We Live NYC” process.

LISC NYC has also joined the “Statewide Source of Income Coalition” alongside Enterprise Community Partners, the New York Housing Conference, and the Fair Housing Justice Center in support of amending the New York State Human Rights Law to extend legal protections to households using sources other than employment to cover housing costs, including Housing Choice Vouchers (Section 8), Social Security, unemployment insurance, and spousal support. The Coalition supports an amendment that would outlaw all [income discrimination](https://therealdeal.com/2016/05/12/bronx-landlord-accused-of-rental-discrimination-lawsuit/) except in cases where a two-family home is owner-occupied.

**Proposed Int. No 0601 and Int. No 0607 Seek To Strengthen Fair Housing Efforts**

We thank the City Council for thinking critically on local strategies to promote fair housing. In our view, the current bills under consideration complement local fair housing efforts by seeking to codify best practices with respect to concurrently promoting affordable housing preservation/development and affirmatively furthering fair housing.

We are in general agreement with many of the provisions in Proposed Int. No. 0601 which establishes a new municipal requirement obligating the Mayor, in partnership with both private and public stakeholders, to develop and submit annually to the City Council a citywide affordable housing plan that details: (1) housing demand across the low - and moderate-income spectrum; (2) municipal efforts underway to satisfy this housing demand; and (3) challenges in the marketplace to fulfilling this demand including federal aid, the price of land, and maintenance costs necessary to operate subsidized housing. We are aware that Int. No. 0601 will require very detailed neighborhood tabulations of units created and preserved. We encourage the City Council to work closely with the Department of Housing Preservation & Development (HPD) and the Department of City Planning (DCP) to determine the feasibility and fiscal impact of these new reporting requirements.

We support Proposed Int. No. 0607, which requires municipal affordable housing plans to take meaningful actions to overcome patterns of historic segregation and address disparities in housing needs and in access to opportunity. We believe this new requirement establishes a clear and ongoing local policy framework for creating inclusive communities.

**Affirmatively Furthering Fair Housing Requires A “Both/And” Approach**

LISC NYC believes that only a balanced approach to fair housing will ultimately be successful in overcoming patterns of historic segregation and improving access by all households to the homes and neighborhoods of their choosing. Implementation of Proposed Int. No. 0601 and Int. No. 0607 should be guided by a balanced strategy rooted in both community led reinvestment in racially and ethnically concentrated areas of poverty and in increasing mobility to higher-income, less segregated areas (the “both/and” approach).

There are multiple strategies that can be taken to implement the “both/and” approach. Successful reinvestment strategies in areas marked by concentrated poverty and segregation reflect comprehensive community based planning; multi-stakeholder, community level decision making; and preservation/development of affordable housing alongside critical neighborhood infrastructure like schools, daycare, open spaces, and commercial/industrial facilities. Strategies for enhancing the economic mobility of low-income households include the construction of new affordable housing in high-opportunity areas; sustained and effective enforcement of rules guarding against source of income discrimination in the rental marketplace; workforce development coupled with credit counseling and financial literacy; and improved access and affordability to mass transit.

Finally, and in our view, a strategy that cuts across the “both/and” approach is increasing the amount of real estate owned and stewarded by mission-driven organizations. Whether in distressed communities or in high-opportunity neighborhoods, mission-driven developers use business strategies that mandate permanent affordability and accessibility in all their real estate work including affordable housing, manufacturing facilities, commercial spaces, and arts spaces. This equitable real estate strategy creates a virtuous cycle of sustainable, community wealth that benefits all stakeholders.

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

Thank you for the opportunity to testify.

Edward Ubiera

Director of Policy

LISC NYC

212-455-9584

[eubiera@lisc.org](mailto:eubiera@lisc.org)