



**Testimony of Baaba Halm**  
**Vice President and Market Leader, Enterprise Community Partners**

**New York City Planning Commission**  
**Public Hearing: City of Yes for Housing Opportunity**  
**July 10, 2024**

My name is Baaba Halm, and I am the Vice President and Market Leader at Enterprise Community Partners. Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since our New York office opened in 1987, we have committed more than \$5.3 billion in equity, loans and grants to affordable housing and community to create or preserve over 83,000 affordable homes across New York State.

On behalf of Enterprise, I want to thank Chair Garodnick and the members of the City Planning Commission for the opportunity to submit the following testimony.

**Overview**

New York City has been in the midst of a persistent and worsening affordable housing and homelessness crisis. The latest Housing and Vacancy Survey showed a historic 1.4% vacancy rate overall – and a stunning 0.39% vacancy rate for apartments renting under \$1,110. Median rents in New York City continue to reach one historic new high after another. Fewer than 5% of apartments are affordable to the average NYC household’s salary. There are more than 18,000 families with children in the City’s homeless shelter system.

All of these numbers and trends are telling but miss the human element. Our housing crisis is hitting families hard and is felt deeply particularly by those of low and moderate incomes. It keeps individuals unhoused or in shelter longer than necessary, it prevents housing stability as more and more income go to skyrocketing rents, it limits mobility and neighborhood choice, and it forces many to leave the city altogether.

We applaud the City for its effort to revise its Zoning Resolution to allow for zoning flexibility and the allowance of denser and more varied housing types all to spur the creation of more housing in every community. Without question, New York’s zoning laws must be updated to meet today’s housing needs.

To that end, Enterprise supports City of Yes for Housing Opportunity and applauds the effort to tackle bold changes. In the remainder of the testimony, we will address the provisions with the greatest possible impact on affordable housing and offer recommendations to ensure the contemplated changes have the desired impact.

### **Medium- and High-Density Districts**

Enterprise supports the **Universal Affordability Preference (UAP)** as the provision with the most direct affordable housing impact. We applaud the affordability levels at an average of 60 AMI which would allow for the creation of deeply affordable units and the permanency of these units.

Allowing all-affordable or supportive housing properties to build around 20% more housing as-of-right will help mission-driven organizations to deliver more housing to communities in need. Permitting a 20% bump for otherwise market rate projects if the additional FAR granted is for affordable or supportive housing is a creative way to grant more density in exchange for a community benefit.

Preservation projects seeking to take advantage of the UAP must include provisions that new units created are affordable and that any rehabilitation of existing or grandfathered units must protect affordability.

### **Citywide Proposals**

Enabling **conversion to residential from other uses** for a broader set of buildings citywide by expanding the eligibility date for adaptive reuse from 1961 to 1991 has the potential to encourage more affordable and supportive housing. Enterprise supported the proposal enacted in this year's State budget which provided a tax incentive for office-to-residential conversion projects and mandated affordable housing. Expanding the eligibility for which buildings can execute on those conversions and take advantage of the tax benefit has the potential to bring more of these dormant properties back into active use and fill the housing need.

**Eliminating barriers to contextual infill**, such as campus, church sites and other large lots would provide important zoning flexibility. Through our Faith-Based Development Initiative, Enterprise works with many faith organizations seeking to repurpose their land for affordable and supportive housing development, and for whom zoning flexibility would provide easier pathways for some of the projects they envision. It will be important for agencies to continue to resource and prioritize faith organizations who want to bring affordable rather than strictly market rate development to their sites in service of their community. With respect to NYCHA campus land, robust resident engagement must be a component of any zoning flexibility afforded for infill development.

We understand that the precipitous decline in **small and shared housing options** in the city, however well-intentioned, has had unintended consequences, and that this proposal is in response to that. However, we are concerned that citywide changes to the Dwelling Unit Factor meant to encourage this housing style may become overly predominant given the economic benefit to a project fitting in more studio and smaller units. Through our work with the Family Homelessness Coalition and in our rental assistance advocacy and programmatic efforts, we are aware of significant challenges for low-income families in finding suitable housing. A healthy spread of housing types which includes more family and multi-bedroom options keeps families safely and comfortably housed and allows for family growth. We encourage a balanced approach with respect to encouraging smaller and shared housing.

### **Low-Density Districts**

It is important that new affordable housing created through the City of Yes text amendments not be concentrated solely in medium- and high-density districts. Therefore, the **transit-oriented development (TOD)** and **town center zoning** proposals are important to ensure new housing creation is allowed in districts that historically do not see high levels of unit production. The new housing created in these districts should not be purely market-rate units and the city should create tools that encourage affordable housing creation in these areas with the new flexibility that is offered. To encourage only market rate housing in these areas, which in many cases are areas of high opportunity with transit access, would represent a missed opportunity to affirmatively further fair housing and protect long-term affordability. Term sheets must be created to subsidize affordable housing opportunities in these areas. In addition to bringing more low- and moderate-income units, this would have the added benefit of opening opportunities for smaller, emerging, and MWBE developers, who often get their start with smaller sites. The focus on large unit count goals for affordable housing production has often left fewer than adequate resources for smaller site programs; marrying new term sheets to this zoning flexibility could change that focus.

In addition, current tax incentive programs may not prove to be a good fit for the smaller sites that these low-density proposals create. We encourage the creation of a new tax incentive program tied to affordability that can work in tandem with these TOD and town-center projects and create an incentive for owners to build affordable housing.

**Accessory Dwelling Units (ADUs)** have the potential to create additional housing but can also support homeowners who may be looking to keep a family member close or have another income source. There is demonstrated interest in ADUs citywide, as evidenced by a joint State and City pilot program which saw huge numbers of applications that far outpaced the resources available. Any action to encourage ADUs must ensure that the provisions align with the newly enacted State tax exemption for homeowners meant to protect against the negative effects of changes to assessed value. Programs must continue to be tailored to low- and moderate-income homeowners who need

capital assistance to execute on an ADU, to ensure the benefit of zoning changes don't fall solely on those homeowners with the cash available to undergo the costly construction effort.

### **Enforcement and Protections**

Any bold changes such as those proposed under City-of-Yes must be met with a thorough effort to consider unintended consequences and policy solutions to mitigate those consequences. Encouragement of development can unfortunately bring about pressure and outright exploitation for those residing in areas that may suddenly be more valuable from a real estate perspective.

We urge thoughtful public policy and programmatic strategies to protect low- and moderate-income homeowners and renters, which may include cease and desist areas, stronger deed theft enforcement and proactive measures by the city to protect these communities from predatory actors and exploitation.

Thank you for your attention.