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**The City of New York
Community Board 8 Manhattan
Housing Committee
Thursday, May 30, 2024 – 6:30PM
*Conducted Remotely on Zoom***

Minutes

The meeting was called to order at approximately 6:30 PM by chair Ed Hartzog.

CB8 Members Present: Anthony Cohn, Ed Hartzog, and Marco Tamayo

Excused Absence: Rebecca Lamorte

Unexcused Absence: Saundrea Coleman

Item 1: Update on Housing Policy Changes from Albany

Due to some last-minute scheduling issues, the Committee's guests were unable to attend and speak about recent developments in Albany – especially the new 485X program and its interplay with the City of Yes for Housing Opportunity and the building of more affordable housing. They did, however, provide links to some information about all the recent developments and changes.

Those links are provided below:

<https://therealdeal.com/new-york/2024/05/02/how-nyc-investors-value-421a-extension-485x-tax-break/>
<https://www.thecity.nyc/2024/04/23/kathy-hochul-budget-housing-good-cause-421a/>
<https://www.herrick.com/content/uploads/2024/04/485-x-Fact-Sheet-2024-3.pdf>
<https://www.hklaw.com/en/insights/publications/2024/04/new-programs-designed-to-assist-production-of-housing-in-new-york-city>

Without the speakers to provide context and insight, the Committee decided to re-schedule their appearance and instead, moved to a discussion of the City of Yes and “affordable housing” in general.

Anthony Cohn provided some historical insight as to the intractable issue of cost – especially as to fixed costs (i.e., “land purchase(s)”) and the inverse relationship between interest rates and the building of rental units or condominiums – i.e., when interests are low, developers build more condos and vice versa.

As to developments in Albany (lifting the FAR cap) and the City of Yes, he went on to explain that the unprotected avenues in this district (First, Second, Third and parts of Park Avenue(s)) will see more density and taller buildings. Notwithstanding, he suggested that there would be no guarantee of more affordable units, quite the opposite. It would only translate to higher rents for all units.

As to the cause, he explained that the Upper East Side had the highest land costs, and there were additional logistical issues and costs associated with building in Manhattan. To wit, a lack of “staging” space, such that all materials must be trucked into the site continuously, as opposed in the outer boroughs and suburbs where there is more open space at the site.

Thus, the basic premise of the City of Yes – that if you build more housing the price will go lower – does not bear out. The additional housing will be more expensive because it costs more to build and the idea of “trickle down” in the housing market does not occur.

Continuing the topic of the City of Yes, Marco Tamayo suggested that it was bad policy and bad planning. Like Anthony, he suggested that the changes in the FAR cap and new zoning would mean more density and the loss of already existing affordable stock.

The example he used was four basic tenements (25’ x 100’) along one of the avenues. They all contain rent stabilized units and altogether total 80 units. A developer comes along and consolidates the four buildings into one 100’ x 100’ lot and then proceeds to build new apartments to replace them. However, the developer may not build 80 units, it may be fewer. Moreover, all of the new units will not be “affordable” (rent-stabilized) as before, perhaps only 15 or 16 units.

Again, the issue came back to fixed costs and the need for government (city, state, and federal) funds. It is the only way that developers can afford to build the necessary units. The following speaker, Elaine Walsh, echoed the same sentiment.

She noted that the government has a lot of land that could be put to use towards housing. She suggested that the federal government needed to be involved and that the city and state needed to identify those properties that could be used for developing affordable housing.

The Committee moved on to old business at this point.

Item 2: Old Business.

As there was no old business.

Item 3: New Business.

And, as there was no new business.

The meeting was adjourned at 8:00 p.m.

Respectfully submitted,

Ed Hartzog & Rebecca Lamorte, Co-Chairs, Housing Committee