

March 31, 2020

Re: Legislation for New Prevailing Wage Requirements

To: Honorable Governor Andrew Cuomo
Honorable Senate Majority Leader Andrea Stewart-Cousins
Honorable Carl E. Heastie, Speaker of the New York State Assembly

On behalf of the New York Housing Conference, Citizens Housing & Planning Council, Enterprise Community Partners Inc., New York State Affordable Housing Association, Association for Neighborhood & Housing Development and the Supportive Housing Network of New York, we would like to express our appreciation for the affordable housing exemptions to the proposed prevailing wage provision in the executive budget. However, we have serious concerns regarding the establishment of a public subsidy board in legislation under consideration, which may undermine the creation and preservation of affordable housing in NY State for the following reasons.

On the public subsidy board,

1. A robust oversight system for labor monitoring already exists at multiple levels of government.
2. The lack of diverse appointees, including geographic region, industry-experts and minority affinity groups, is troubling.
3. That this board can overrule affordable housing carveouts creates issues around planning and financing, including uncertainty for lenders and investors. While procedural guardrails can be established, delay and uncertainty will nevertheless increase costs and time to produce needed residential housing.

More broadly:

4. The definition of non-for-profit corporation should be adjusted and the cap of gross revenues significantly raised.
5. The exemption should apply to 1-4 family small homes, some of which are supported to achieve affordable low- and moderate-income homeownership.
6. The affordable housing exemption should be clarified to cover mixed-use affordable housing projects where, for example, there are ground floor small businesses or community facilities.

We are on the cusp of an unprecedented housing crisis due to COVID-19. We are facing massive loss of income for possibly 34% of renters in NYC. Our housing finance system will be challenged by widespread forbearance and new construction financing is coming to an abrupt halt with public subsidies quickly being pulled back and the significant drop in value of the 4% LIHTC.

State policy should focus on ways to support recovery and promote the continued financing of affordable housing. Fair wages for construction workers, as well as racial/ethnic and gender diversity of the construction industry, should be a priority but this bill undermines needed affordable housing investment in NY State.

Regards,

Sincerely,



Rachel Fee
Executive Director

In partnership with:

Citizens Housing & Planning Council (CHPC)
Enterprise Community Partners Inc.
New York State Affordable Housing Association (NYSFAHA)
Association for Neighborhood & Housing Development (ANHD)
Supportive Housing Network of New York (The Network)