

Earlier this year, Gov. Hochul's plan to increase the NYS housing stock by 800,000 units over the next decade failed to gain legislative support.

Earlier this week, Hochul announced that she will seek to accomplish through "executive action" what she failed to accomplish through the legislative process. According to Lohud, "In the executive actions announced Tuesday, Hochul said the state will give an edge to grant applicants that it certifies as "pro-housing communities." Among the criteria: annual housing growth of at least 1% for New York City and its suburbs and 0.33% for upstate communities — the same targets Hochul sought in her budget proposal." (<https://www.lohud.com/story/news/politics/albany-watch/2023/07/19/inside-nys-new-plan-to-build-more-housing/70430293007/>)

How would a municipality, such as Mount Vernon, get certified as a "pro-housing community" and thus become eligible for these NYS grants? The process is described here: <https://hcr.ny.gov/pro-housing-community-program>

Here are some of the highlights:

- The certification will be "based on factors assessing localities' success in and commitment to identifying impediments to and promoting housing growth."
- Municipalities must apply to the office of "Homes and Community Renewal" (HCR) to be designated as a "Pro-Housing Community."
- The application will use templates provided by HCR to document and verify local zoning codes, local housing assessment data, and information detailing local housing permit approvals over the past five years.
- A commitment to "streamlining permitting and adopting pro-housing policies."
- Submittal to the state of "critical housing and zoning data" to "help identify challenges to and track progress on housing growth."
- Communities that commit to "growth targets of one percent downstate and one-third of a percent upstate will receive top prioritization."

There are about 10 different discretionary funding programs including Downtown Revitalization Initiative, New York Main Street program, and the Public Transportation Modernization Enhancement Program.

Some of these programs might be good for Mount Vernon. For example, the Downtown Revitalization Initiative seeks to transform "downtown neighborhoods into vibrant centers that offer a high quality of life and are magnets for redevelopment, business, job creation, and economic and housing diversity. These compact, walkable downtowns are a key ingredient to helping New York State rebuild its economy from the effects of the COVID-19 pandemic, as well as to achieving the State's bold climate goals by promoting the use of public transit and reducing dependence on private vehicles." This might align with some of the goals of the MV Comprehensive Plan that is currently in process.

But it's important to keep in mind that the goal of these NYS grants is to increase the supply of affordable housing in NYS, and affordable housing is reserved for individuals and families who do not have a lot of discretionary income. Individuals and families who do not have discretionary income do not have a lot of spending power. Therefore, their ability to help us grow sales tax revenue for the city, by going out to restaurants, retail shopping, etc, may be limited.

One of our goals is to stimulate commercial and business development as an engine of economic growth in the city. The idea is to give people both employment opportunities and a reason to spend their discretionary income here in Mount Vernon. By doing this, the proportion of city revenue that derives from sales tax increases, thus reducing the pressure on local property taxpayers to finance the operations of the city. Increasing the supply of individuals and families in the community who lack discretionary income is, at best, an indirect means of accomplishing this important goal. There is a theoretical argument to be made, but so far nobody has made it. The question might be this: how does increasing the supply of housing for individuals who do not have a lot of discretionary income

advance the goal of increasing economic growth and sales tax revenue in the city, thus reducing the residential property tax burden?

Furthermore, if the city intends to give housing developers tax breaks through the Industrial Development Agency (IDA), that is likely to increase the burden on local taxpayers, at least in the near term. In a recent analysis of MV IDA audited financial statements from 2016 through 2019, I showed that the city realized a Net Tax Loss of \$16M due tax breaks handed out primarily to housing developers. The write up is here:

<https://img1.wsimg.com/blobby/go/ad3bd875-7cd3-4b34-8216-5f00574bf0ca/downloads/Mount%20Vernon%20Industrial%20Development%20Agency%20PIL.pdf?ver=1689447254505>

This is what I'm thinking right now:

Mount Vernon has done more than its fair share to help increase the supply of affordable housing in NYS. At this time, we should focus on stabilizing the community, and providing economic and educational opportunities to the individuals and families who live here now.

We should consider increasing the supply of affordable housing only after we develop a systematic approach to helping our current neighbors of limited means find a path to sustained socioeconomic prosperity. Once we have a system that helps individuals and families move out of our existing affordable housing (due to income growth), Mount Vernon will be a city well-equipped, and well known, for its innovative ability to help individuals and families of limited means realize socioeconomic prosperity.

I think (I worry) that the city is so strapped for cash, it may cloud the better judgement of those we've entrusted to consider our collective best interests. The city hears "grant", and it leaps without carefully considering the long-term consequences. This keeps us subject to the political winds that blow in Albany and elsewhere, which is not where we want to be.

I think if our elected officials want to entertain building more affordable housing in the city, they should make an argument that shows how increasing the supply of affordable housing will not increase the tax burden on local taxpayers. The argument should be made in writing, and it should contain references to support any claims being made. I'm 100% on board with arguments that are rooted in research. But please, no more talk. Monologuing in front of cameras is not persuasive. Put the microphone down and pick up a pen.