



BNYC Calls for Action to Address NYC's Affordable Housing Crisis

Building NYC blasts critics of 421-a tax subsidy for developers, saying that they are putting their own special interests above the needs of struggling New Yorkers.

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It is sad, but not surprising, that some tenant advocates are arguing that the recently expired 421-a tax break for developers should, in the words of one advocate, stay dead:

“421-a is a major giveaway to luxury developers, and it’s not an effective affordable housing program” said Katie Goldstein, senior organizer at Tenants & Neighbors. ‘We’re happy that 421-a died, and we hope that it continues to stay dead.’” <http://www.nydailynews.com/new-york/housing-activists-don-revive-tax-break-building-developers-article-1.2861329>

The resistance to the revival of the subsidy comes from a number of different interests groups—but the most vocal voice is coming from the construction unions looking to boost their flagging market share of the building in NYC. They launched their effort earlier in the year:

“Construction union bosses are launching a new push to stifle affordable housing in New York City. Led by the Building and Construction Trades Council of Greater New York, the unions are demanding a virtual monopoly on housing construction and the ability to pay some of their workers more than \$200,000 per year in prevailing wages and benefits.

They’ve now started running that political operation behind a smokescreen. The most galling thing is that they’re doing it under the guise of affordable housing advocacy.”

[\(https://commercialobserver.com/2016/07/the-construction-union-war-on-affordable-housing/\)](https://commercialobserver.com/2016/07/the-construction-union-war-on-affordable-housing/)

Politics does indeed create some strange bedfellows. BNYC sees through these smokescreens. The reality is that, absent 421-a, less affordable housing will be built. As BNYC Spokesperson Brad Gerstman points out:

“We have already seen the impact of the expiration of 421-a. Earlier this year, the Astoria Cove development—that would have provided 450 affordable apartment—collapsed; as the developer explained, the economics just didn’t work. It seems that some so-called tenant advocates are not on the side of affordability.”

In February, Gerstman penned an Op-ed that criticized both the tenant advocates and the unions for selfishly fighting a program that would benefit needy tenants:

“The construction incentive program called [421-a](#) was suffocated last month by a uniquely self-serving special interest. It could be revived by the state legislature, but for now, it no longer exists. For decades the program reduced building costs and encouraged affordable housing through tax abatements and other incentives.

The program is not without its critics. [Some feel](#) it doesn’t produce enough affordable units. But it’s undeniably an important tool that promotes affordability...”

(<http://www.crainsnewyork.com/article/20160211/OPINION/160219987/op-ed-what-killed-421-a-old-fashioned-protectionism>)

Gerstman’s view is shared by the New York State Association for Affordable Housing ([NYSFAFH](#)):

“In the absence of 421a, there is an even more urgent need for all stakeholders to work together and create a program to produce affordable rental housing for New York City. There is no time to wait,” warned Jolie Milstein, CEO of the New York State Association for Affordable Housing, a coalition of developers that specialize in subsidized construction.”

(<http://observer.com/2016/01/no-deal-on-prized-421a-real-estate-tax-credit/>)

BNYC (<http://buildingnyc.org/>) agrees with the de Blasio administration that the absence of the 421-a subsidy is impeding the badly needed affordable housing that New Yorkers are clamoring for. Those that oppose the tax relief need to come up with a workable alternative since the longer we delay the longer people in need are without the housing they deserve.

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