



NEW YORK STATE SENATOR

Liz Krueger

## Senators Duane and Krueger Call for Moratorium on Mitchell-Lama & Affordable Housing Buyouts

LIZ KRUEGER June 14, 2007

TENANTS, COOPERATORS, AND ADVOCATES JOIN IN CALL FOR TEMPORARY STATE COMMISSION TO STEM LOSS OF HOUSING PROGRAMS FOR MODERATE- AND LOW-INCOME FAMILIES

New York -- With New York State losing affordable housing at an alarming rate, State Senators Thomas K. Duane (D, WFP-Manhattan) and Liz Krueger (D-Manhattan) today called for immediate passage of their legislation, S6120, which would mandate a moratorium on Mitchell-Lama and other affordable housing buyouts, as well as create a temporary state commission to evaluate the loss of existing units in these affordable housing programs.

The commission will last for one year and include 15 members, who will prepare an official report for the Governor and Legislature to consider.

Duane and Krueger were joined by other elected officials, advocates and residents of such state and locally aided developments as Brooklyn's Cadman Plaza and Manhattan's East Midtown Plaza, which are in imminent danger of converting to market rate.

According to Senator Duane, "Among other factors fueling the erosion of New York's affordable housing stock is the fact that thousands of Mitchell-Lama and other state and locally aided, limited equity cooperative and rental apartments are facing extinction. In many cases, such housing has fallen into disrepair or is being rendered unaffordable due to 'sunset' provisions that allow landlords to opt out and impose dramatic rent increases, or in the case of cooperatives, allow shareholders to privatize and sell for windfall profits."

Added Senator Krueger, "For more than a half a century, New York State and its localities have invested in the creation of low and middle income housing to both benefit those most in need and support state and local economies. As landlords and cooperators dissolve these companies and cash out, the State and local governments not only lose those benefits, but also fail to get any reimbursement for the enhanced value made possible by their contributions."

Duane added that many housing advocates have called for a moratorium on the dissolution of the types of housing companies covered by this bill to avert the impending loss of such developments as Starrett City, Southbridge Towers and Cadman Plaza, which collectively house thousands of low and middle income New Yorkers. "In fact," Duane said, "this bill goes a step further. When the term of the commission and the moratorium it establishes expires, New York State will have a blueprint for the preservation, modernization, and expansion of such affordable developments now and into the future."

"NYC has lost 40% of our Mitchell-Lama units since 1990, with more than 12,000 units on the chopping block right now," Krueger said. "These affordable units are bleeding from the

system much faster than they replaced. If we do not act now, it may be too late. We need a full evaluation of existing Mitchell-Lama programs, as well as others like Section 8, in order to fully grasp the severity of the situation, and proceed in a thoughtful, thorough way that helps keep NYC affordable for families."

S6120 was introduced by Duane and Krueger on June 11 and is cosponsored by Senators Breslin, Connor, Diaz, Montgomery, Onorato, Perkins, Sabini, Savino, Schneiderman and Smith. It is currently in the Senate Finance Committee.