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Remarks By Mayor Michael R. Bloomberg
"Housing Plan For New York City's 21st Century Neighborhoods"
New York Housing Conference/National Housing Conference 29th Annual Luncheon
Sheraton New York Hotel

I was talking to Katie Couric on the Today Show this morning. She asked me, "what's new in New York?" I said, "not much. A big budget deficit. Service cuts. A possible transit strike. My approval ratings plummeting. The Knicks in the NBA cellar. Same old stuff. "

All this must sound like dĂ©jĂ vu all over again to Mayor Koch. In fact, yesterday I was watching film of him from the 1980 transit strike. Ed-you didn't look a day younger.

But seriously, I'll be happy if, at the end of the day, New Yorkers remember me for the same reason they remember and love Ed Koch: for his tremendous record of achievement in areas like housing.

I also join Ed and all of you in honoring the memory of another giant: the former chair of the New York City Housing Authority, the late Albert Walsh.

Housing was a passionate concern of Albert's. So what's its future?

In this economic climate? There's been a lot of speculation in the news media recently about whether New York might return to the bad old days of the 1970s-when services fell apart and progress stopped.

There's a short answer to that question. Not a chance.

One big reason why: you, the National Housing Conference and New York Housing Conference, and what you have helped us achieve in communities throughout the city.

As exhibit "A," consider the example of our own Harlem. Every person in this room can remember thirty years ago, when Harlem was a community with a rich past, but an ominous future--

When it was a neighborhood with block after block of vacant lots and derelict apartment buildings-

When it was a community that seemed to be locked into a downward spiral of abandonment and decay.

Take a look at Harlem today. It has become one of the hottest residential neighborhoods in the five boroughs. Families are snapping up its magnificent 19th Century townhouses. Harlem's population, which was shrinking just fifteen years ago, is growing again.

Yogi Berra once said that you should never make predictions-especially about the future. But I'll ignore that advice and predict that Harlem has reached a turning point.

In the seventies, the word on Harlem was that it was a bad risk for private housing lending. Those days are long gone. It has not only stabilized-it's soaring. Now people want to put private housing money into Harlem.

That's a story that all of you know-because many of you have helped write it in communities throughout the city-in the South Bronx and Central Brooklyn, as well as in Harlem.

These turnarounds didn't just happen by chance. They have been the product of sustained and

coordinated public policy and public investment that catalyzed a revived private market.

They are stories of community renewal that are far from over-and that are entering an important new phase.

Now we have to repeat those stories-albeit in difficult times. Today's challenge, as we work on other parts of the City, is to make scarce city dollars go farther in an era when deep cuts to capital spending for housing are unavoidable.

The solution is doing the kind of strategic investment and groundwork that turns dreams into realities by using limited public funding to encourage private investment.

We need to target our financial resources and policy initiatives to make more Harlem miracles-catalyzing private housing development in neighborhoods throughout the city.

We're the world's second home-a magnet for people who want to build better lives for themselves and their families.

That new generation of ambitious and hard-working New Yorkers, want just what my parents struggled to achieve, and what all parents want for their kids: the security that only good living accommodations in safe and stable neighborhoods can provide.

Without these homes and neighborhoods, New York will lose these people-and lose its future. That's why affordable housing is fundamental to our long-term economic prosperity.

Today I want to describe my administration's housing strategy for securing that future.

It's a strategy with two principal elements.

The first is innovative financing-a process of facilitating private housing investment with creative use of public financial resources.

Over the next five years, we will implement new strategies that will, combined with existing programs, create more than $3 billion in public spending on housing. That money will finance some 27,000 new units and preserve 38,000 more, for a total of 65,000 units.

This public spending will increase production of new units by 25% compared to the last five years. And it will, in turn, stimulate the private sector to make major new investments in our city.

Here's how the money breaks down. The City's Housing Development Corporation (HDC) will leverage a new pool of $500 million to finance construction of 17,000 units.

In addition to that, some $555 million will be redirected by the City's Department of Housing Preservation and Development (HPD) from housing maintenance to new investment in some 8,000 units.

And the remaining $2 billion is the continuing maintenance of effort by HPD in the City's housing capital and expense budgets-ensuring creation and preservation of some 40,000 units.

The second principal element is a combination of legislative and administrative change.

Here, the City will coordinate a variety of initiatives, including brownfield clean-ups, rezoning, land disposition policy and regulatory reform.

This will cut building and land acquisition costs, and lay the groundwork to attract more private construction.

Let me describe these initiatives in a bit more detail, starting with our financial strategy.

Between now and fiscal year 2008, HDC will make twice as much money available for affordable housing as it has over the last five years.

That public investment will be created by aggressively and creatively pushing the financial envelope on HDC's equity. To create these funds, we're going to put HDC's cash assets to work, and borrow against the mortgages that HDC holds.

The half-billion dollar pool this generates is expected to leverage four times as much money-or $2 billion-as private financing will accompany the public's initial investment.

This will be in addition to funds raised through HDC's traditional tax-exempt bond financing, which will come to some $750 million over the next five years.

This pool will finance the construction and rehab of more than 17,000 units of low- and moderate-income housing in targeted communities.

And for the first time, HDC will also commit a portion of these funds to middle-income housing. HDC's so-called "New-Hop" program will be expanded to include housing for middle class New Yorkers with incomes between about $38,000 and $63,000 a year.

These include teachers, police officers, firefighters, health care workers-the kind of people who make communities stronger.

To complement that pool of HDC funds, HPD also is performing a little financial magic of its own.

Over the next five years, HPD will redirect more than $555 million in planned city and federal funding to targeted neighborhood renewal.

Much of this money was originally intended for the rehabilitation and disposition of the City's in rem housing stock. But as you know, most of that housing has now passed to new private owners.

That's wonderful news. Private ownership is our ultimate goal. And for an added bonus, it will give us the opportunity to redirect those funds to targeted housing investments over the next five years.

Part of this re-directed funding includes equity we'll raise against the low income housing tax credit program - to achieve these goals.

HPD will, for example, provide low-interest loans to acquire and clean up brownfields for housing development. The bottom line is that all of these new and existing funds will preserve and create 65,000 units citywide between now and 2008.

This commitment demonstrates that, even in these difficult budget times, the city is not walking away from the job of funding affordable housing.

Today, we're distributing a plan called "new marketplace: creating housing for the next generation." It details how our commitment to housing will also extend to:

- Providing low-cost loans to renovate and lease apartments that have long been vacant and off the market...
- Doing what our conscience demands to help homeless families with special needs and youngsters aging out of foster care...
- And helping new homeowners make their first down payments, while also encouraging private employers to do the same.

The public dollars in these programs represent an important part-but only a part-of the city's housing strategy.

Just as important is the second part of our plan-that is, to jump-start private investment in targeted communities by removing barriers to development and reducing costs of construction.

And we'll use a range of policy tools toward that end.

I mentioned HPD's capital program for acquiring and cleaning brownfields. Under the leadership of the Department of Environmental Protection, the city is conducting a comprehensive assessment of potential brownfields throughout the city with an eye toward beneficial reuse.

Complementing that effort in many neighborhoods, will be targeted rezoning of abandoned waterfronts and underutilized manufacturing areas for mixed residential and commercial use.

I have asked our city planning commission to move forward aggressively with rezoning plans in communities throughout the City, including: East Harlem, Jamaica, Long Island City, Port Morris, Morrisania, Park Slope, Greenpoint, and Williamsburg. We'll work with the city council to enact these zoning changes.

I also have asked Deputy Mayor for Economic Development and Rebuilding Dan Doctoroff to coordinate the disposition of City-owned land appropriate for residential development. This will ensure that we use our scarce land resources as effectively as possible.

For example, over the next five years, HPD will continue to make vacant, city-owned land available for the development of more than 7,000 new residential units.

HPD and the City Housing Authority (NYCHA) will collaborate to develop affordable housing on

NYCHA's underused and vacant property.

And I've directed HPD and the Department of Buildings (DOB) to streamline the approvals needed to develop and rehab housing.

This must include working with the City Council to assess the feasibility of adopting a model building code.

That's the strategy: to make creative use of all the tools at our disposal-in the neighborhoods where they will have the most impact-to jump-start and complement private sector investment.

The success of that strategy is crucial to our city's long-range economic future. Keeping housing affordable-like improving the public schools-is vital to attracting and keeping talented and productive people in New York.

Housing will, for example, be key to bringing people and jobs back downtown. On Thursday, I'll outline my vision for transforming lower Manhattan into a true 24-7 residential and commercial community. New housing development is a critical part of that vision.

To help guide the housing initiatives we've outlined today, we have named a neighborhood investment advisory panel. It includes key partners from the finance, development, academic, and philanthropic communities.

To the members of it who are present today: thank you in advance for your time and talent.

Your work-and the continued work of the New York housing conference-will play a crucial role in neighborhoods throughout the city.

The British journalist Alistair Cook once described New York "as the biggest collection of villages in the world."

He was on to something.

We are a city of more than 300 neighborhoods. They're the places we call home...where our children go to school, shopkeepers serve their customers, and New Yorkers enjoy family life.

Our neighborhoods are what makes New York tick. Wall Street or Canarsie, Lincoln Center or Tottenville, Madison Square or Rego Park, 5th Avenue or Arthur Avenue. We believe in our neighborhoods passionately and we must nurture them.

And with this housing plan-and with your continued hard work-we'll make New York the biggest, greatest, most diverse and vibrant collection of villages in the world.

Thank you and happy holidays.