

New York State Legislative Office Building
May 30, 2007

Public Hearing

Creating and Implementing a True New York State Housing Trust Fund

I am grateful to be here today to support the idea bringing a legitimate Housing Trust Fund to our state. The Empire State is lagging behind many other states in our country and with the help of Senator Liz Krueger leading the way we will be able to educate our Legislators and our Governor on the importance of making sure we have a comprehensive state trust fund that works for all New Yorkers. The lack of Affordable Housing is a nationwide problem that affects all New Yorkers, it touches all aspects of our lives, and yet only a small percentage of our American population understands this.

This is a social issue.

This is an economic issue.

This is a commerce issue.

This is an educational issue.

This is a public safety issue.

This is a transportation issue.

This is a tax issue.

Just like the words spoken in Governor Spitzer's Inaugural speech, we have been asleep on this issue far too long and we need to wake up. There are solutions to help with affordable housing and we as New Yorkers must take our heads out of the sand. I have been tired of listening to our leaders say that there is no solution to this problem. *Every* problem has a solution unless the problem solver *is* the problem. We are fortunate to have a different kind of Governor now, who will understand this need to implement a NYS Housing Trust Fund.

Isn't it funny how when we have a problem we want to pretend there isn't one? Or maybe we try to make it sound better by changing the name. "**Workforce Housing?**" That's not so bad, I mean, if a nurse lives next door to me maybe that's not so bad.

It's time to get real people. It's time for plain language. How about **Anti-snob zoning**, a nickname for Massachusetts General Law, a state statute which allows housing developers to bypass local zoning restrictions under some circumstances. Encouraging affordable housing in all Communities.

In Saratoga Springs, we need housing for our service industries so our local businesses do not have to close up shop, but we also need affordable housing for everyone who needs it – not just the work force.

Our elderly are faced with a fear that no one knows about. People, who look just like your grandparents, are proud as well as scared and they don't like to share the condition they're in. Retired, elderly people, who have lived in Saratoga Springs their entire lives, are now on fixed incomes and they are going without their medicines to pay their taxes. These people are frightened that they will lose their homes and they don't know where to turn. Driving down their streets, their homes look well kept from the outside but inside maintenance is well over due and these people cannot afford it.

As the baby-boomer generation grows to become the largest populated generation our country has ever seen, we need to be prepared for this. This generation's fixed income will also have to keep up with the rising costs associated with aging and we know that this generation will be living longer.

The baby-boomer's children will have the highest cost college loans ever to be seen while trying to pay a mortgage payment. Do you think they are going to live in a state where they cannot afford a home? We are so worried about our kids moving away because they cannot get a job that we lose track of the fact corporations are moving because they can get labor cheaper somewhere else – and I am talking right here in our own country. If housing is affordable, than businesses can afford to pay their employees a real living wage. Housing has a profound impact on a state's ability to compete in the business marketplace.

Abraham Maslow, the psychologist famous for constructing the theory of a “Hierarchy of Needs,” stated human beings have essential needs to endure, they include: physiological needs, safety needs, love needs, esteem needs, and self-actualization. One of the basic needs very close to the bottom of Maslow's pyramid is the need to have the security of a home. Maslow submitted that humans *are motivated* by what they want next when their needs are met. He goes on to say that, he believed that the need for safety has everything to do with instituting security in an unruly society.

Without that security, we are **creating** an unruly society.

Economics 101 – The low and middle incomes buy the most goods and services. What happens when this population moves elsewhere? A loss in sales tax revenue will occur.

With less homeownership in a school district, the higher the school taxes will be for the remaining homeowners. This remaining homeowner will start to vote down the school budgets and less funding will go into education. We need to change the way education is funded – but that is for another public hearing ☺

When we have an affordable housing problem, we automatically have a transportation issue. As the costs associated with housing rises people must move farther and farther away from these gentrified areas and pay much more in gas and car maintenance

Quoting Anthony Downs, “There are two reasonable definitions of ‘crisis.’ One kind of crisis consists of a rapidly deteriorating situation moving towards a single disastrous event at some future moment. The second kind consists of a more gradually deteriorating situation that will eventually pass some subtle point of no return.”

I believe this issue is so serious it could fit into both categories. The point of no return will be when the middle class can no longer afford housing, and lose buying power. Consumer confidence will take a dive and then so will the market.

The tools to solve this problem are out there. This is a subject that has been researched forever – it is time to put that research to use.

I am part of a committee that wants Saratoga County to have a housing trust fund of its own and last week a member of my committee, Celeste Caruso, brought the following information and I will turn this over to Senator Krueger in order that other communities can take a look at this.

Understanding Your Options

[*Preservation of Affordable Homeownership: A Continuum of Strategies*](#) (PDF) provides an overview of the homeownership strategies available to communities and explains the pros and cons of different approaches

Finding the Right Formula: How do Different Shared Equity Strategies Compare?

[*Shared Equity, Transformative Wealth*](#) (PDF) takes an in-depth look at three different shared equity approaches and shows that the best shared equity programs can build significant wealth for one family after another without any long term loss of affordability.

[Running the Numbers: Customize the Strategies for Your Community](#)

Using the Center’s interactive spreadsheet, provide your local data, or use set defaults, to see how different shared equity strategies will work based on area home prices and other factors