

Dec. 11, 2016 – **DOUGLASTON DEVELOPMENT IN THE NEWS** – By Greg B. Smith

## **Mayor de Blasio's Affordable Housing Crusade Has Helped His Fund-Raising Efforts**

Mayor de Blasio's promise to build or preserve 200,000 affordable apartments has benefited thousands of lower-income tenants and a handful of developers.

It also bolstered his fund-raising.

In 2015, the mayor faced the expiration of a tax break – called 421-a – that had long enabled builders to include below-market rents in some of their units.

De Blasio, who had criticized the tax abatement formula as having become a subsidy for luxury housing, reworked it in consultation with the real estate industry to mandate the creation of affordable apartments.

But the revisions required passage by the Legislature and approval by Gov. Cuomo - who announced his support for a union demand that non-union developers must pay higher wages to qualify for the tax break. Developers argued that the revision would make building affordable housing unprofitable.

And several top affordable housing builders in the city pushed de Blasio to support 421-a, but without the wage requirement -- saying that the cost of higher salaries would reduce the number of affordable units.

Between April 16 and 21, 2015, 11 industry donors, including developers and the architects and contractors they hire, wrote checks ranging from \$2,500 to \$10,000 to his non-profit, Campaign for One New York.

All told, they donated \$100,000.

Two weeks after the checks arrived, de Blasio announced that he would push Albany to renew 421-a – but only if it didn't include the wage requirements.

Ultimately, de Blasio and Cuomo reached an impasse. The tax break died, but last month developers and the unions reached agreement on a wage requirement. Still, de Blasio indicated that he would support the arrangement only if the state subsidized the higher wages.

The developers' generosity toward de Blasio was nothing new.

All the big affordable housing players have given to the Campaign for One New York or to de Blasio's failed drive to convert the state Senate from Republican to Democratic control.

Among them: Douglaston Development (\$25,000); Martin Dunn (\$10,000); Frank McCourt (\$50,000); Bluestone Group (\$10,000), and MADDD Equities (\$10,000).

City Hall has given each of them the green light for tax-supported affordable housing construction in the last two years.