New York City Committees on Finance & Housing and Buildings
Oversight: Financial Tools for Maintaining the Affordability of Mitchell-Lama Housing
July 15, 2026

Good afternoon Chair Lee, Chair Sanchez, and the members of the New York City Council Committees on Finance & Housing and Buildings for convening this important hearing to discuss ways to preserve Mitchell-Lama housing in our city.

Since 1955, Mitchell-Lama housing has been a core part of the affordable housing stock in our city, giving thousands of residents the opportunity to lay down roots in their neighborhoods and build long-term communities. Additionally, the program paved the way for the creation of thousands of units of cooperative housing, enabling low- and middle-income families to access homeownership opportunities they otherwise would not be able to afford. Mitchell-Lama developments are overseen by either the State's Department of Housing and Community Renewal (HCR) or the City's Department of Housing Preservation and Development (HPD), and these agencies have important roles in ensuring the future of this program.

The Mitchell-Lama program has resulted in the creation of over 105,000 housing units, of which about 30,000 are in The Bronx. Notably, Co-op City, with its 15,372 units, is the largest housing cooperative not just in New York, but in the world. However, all Mitchell-Lama developments were built between 1955 and 1981, and no new developments have been built since then.

Therefore, the primary focus when it comes to these developments has been the preservation of the existing stock. There are numerous current programs available to maintain Mitchell-Lama housing, including the Mitchell-Lama Rehabilitation and Preservation Program, the All Affordable Program, the Mitchell-Lama Preservation and Homeownership program, the Mitchell-Lama Reinvestment Program, and more. Both the City and State governments have taken steps to shore up the financial viability of these developments to ensure their continued ability to provide affordable housing for years to come. Notably, this includes property tax freezes, limits, and exemptions, which have reduced the burden on these developments.

However, over the past several years, we have seen the financial situation of several of the Mitchell-Lama developments in The Bronx and across the city come under increasing strain. Due to increased costs from insurance, labor, long-term maintenance and renovations, requirements to improve energy efficiency, and other mandates, these developments have experienced increased budget demands that need to be met.

Many Mitchell-Lama developments have major capital work that needs to be done to maintain the buildings for the future. This can include work on water systems, gas systems, electric systems, elevators, upgrading pipes and wiring, roof replacements, and more. These projects must be paid for, yet the buildings often struggle to finance these upgrades.

Unfortunately, many developments have failed to increase their rent or maintenance fee levels at an appropriate rate over time, leading to them needing to impose significant single-year increases. These increases pose substantial hardships for residents, including working families and seniors on fixed incomes. The choices that these developments must face are stark, and they are left in the position to choose between large increases or potential financial insolvency.

In May, the Tracey Towers development in the Norwood section of The Bronx announced that it was planning a phased rent increase totaling more than 30% over four years. Tracey Towers is not alone. Dozens of Mitchell-Lama developments have received double digit rent or maintenance increases in recent years, including several in The Bronx, including Woodstock Terrace, Tilden Towers, Amalgamated Houses, Concourse Village, Co-op City, Jaime Towers, River Park Towers, and more.

These large increases are difficult for the middle-income residents who live in Mitchell-Lama housing to absorb. The significant and increasingly frequent increases may be necessary to keep the buildings solvent, but they have resulted in financial distress for the residents.

Many residents are eligible for programs like Section 8 assistance, the Senior Citizen Rent Increase Exemption (SCRIE), or the Disability Rent Increase Exemption (DRIE). These programs can mitigate what residents have to pay to remain in their units. However, we know that these programs are underutilized. More must be done to ensure that all residents are aware of the programs they are eligible for and complete the applications necessary to be enrolled.

Additionally, there is often resentment among residents, not just because of the size of the increases, but because there are often serious maintenance issues with the buildings that lower quality of life or present a danger to the individuals who live there. Earlier this year, the Office of New York State Comptroller Tom DiNapoli released a report detailing some of the issues across Mitchell-Lama developments statewide. The report found that in 15 developments examined statewide, 12 had hazardous or unsafe conditions, including all 10 sampled in New York City. These include structural deficiencies such as collapsed ceilings and walls, mold, pests, and more. Among the sites surveyed were O.U.B. House, Stevenson Commons, Findlay House, Jamie Towers, and Evergreen Gardens in The Bronx. When residents are not guaranteed quality housing, they are less invested in the financial future of their developments and more likely to move out.

The financial conditions at Mitchell-Lama developments are exacerbated by long-term vacancies, which keep units unoccupied and thus not generating income for the development. HPD has directed that the Mitchell-Lama developments that it oversees should turn over vacant units within 120 days. However, the average turnover time was reported to be over 220 days. Additionally, as our population ages and residents choose to age in place, we will see more units that become vacant upon the death of the resident. When this occurs, there is often a significant delay in transitioning the unit to a new tenant. More must be done to give the developments the tools they need to turn over apartments and keep these units available for residents to live in.

HPD and HCR must take additional steps to shore up the financial viability of Mitchell-Lama developments for the long term. When a development becomes distressed, it requires greater oversight, particularly when it comes to its financial well-being. These agencies must increase their oversight of spending, rent and maintenance collection, structural and maintenance repairs and cleaning, and vacancy turnovers. By working with developments before these problems cascade into financial insolvency, these agencies can help maintain this vital housing stock for the long term. Most importantly, HPD and HCR should work with every development to ensure they approve a rent or maintenance increase schedule that will prevent the massive one-time increases we are seeing. By spreading out increases over several years, we can ensure that no one is forced to accept a massive hit to their finances at one time and that residents are better able to plan for the future.

In addition to increased monitoring of the finances of these developments, HPD and HCR must increase their involvement with these developments before they come to the precipice of insolvency. They must hire more project managers to ensure that the developments are meeting their obligations and are able to use the funding available to them in a timely and efficient manner. We have seen numerous examples of developments which have received public funding being unable to utilize this money on an appropriate time scale. For example, through my capital budget allocations as borough president, I have funded upgrades and renovations at several Mitchell-Lama developments where the funding remains unspent. Similarly, we have seen council member allocations face similar hurdles. For example, Council Member Althea Stevens and I allocated funding to Woodstock Terrace that has not been drawn down, Council Member Amanda Farías allocated funding to Jamie Towers, and I have allocated funding to Dennis Lane. All of this funding remains unspent, sitting with the development or HPD. Elected officials do not invest capital in these developments for the photo ops but because we want to see these projects come to fruition. Unnecessary delays prevent these improvements and keep our residents living in struggling and substandard conditions. Our constituents deserve better, and HPD must step up and demonstrate a real commitment to the Mitchell-Lama developments and the residents who call them home.

Without greater engagement by the overseeing agencies, we will continue to see Mitchell-Lama developments struggling to stay afloat. As the financial pressures on these developments continue to ramp up, we must ensure that we are doing all that we can to get them on surer footing and prevent them from reaching a point where they only way for them to survive is through massive increases in rent or maintenance or through a public bailout. HPD and HCR must increase its collaboration with these developments before we get to that point.

Thank you again to the members of the City Council for convening this hearing. The tens of thousands of residents who rely on Mitchell-Lama housing need our City to give them the tools to ensure their homes are preserved for decades to come. I appreciate the Council's continued commitment to holding HPD and other agencies accountable for their role in overseeing this system.