



## Watchdog Groups: 421-a Real Estate Subsidy is Epicenter of Political Corruption in Albany

*Governor and legislature cannot simply renew wasteful \$1.1 billion subsidy*

- 421-a subsidies have grown 6x faster than NYC real estate tax receipts.
- Program creates only 14 cents of affordable housing for each \$1 of subsidy.
- NYC real estate industry is by far largest political contributor to state officials.

Our government reform and subsidy watchdog groups are dismayed at the massive and ongoing political corruption surrounding the \$1.1 billion 421-a, NYC real estate tax subsidy program. We believe that the federal criminal complaints against Dean Skelos and Sheldon Silver, and the mammoth political contributions by the NYC real estate industry, make it clear that 421-a is the epicenter of large-scale political corruption in Albany.

421-a is one of the biggest examples of how corruption in Albany leads directly to bad laws that waste enormous amounts of scarce tax dollars while providing huge handouts to a small number of people and very little benefit to the public.

According to data from the NYC Department of Finance, 421-a tax abatements have grown more than six times faster than property tax collections since 1998. Yet, the Community Service Society has determined that less than 14 cents of every dollar in 421-a tax abatements goes towards the creation of affordable housing. In sum, 421-a is a gigantic handout to real estate that owes its explosive growth to enormous contributions from the real estate industry to state elected officials.

Clearly, something is very wrong with 421-a and the governor and the legislature need to fix it or end it.

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