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Mayor Still Looks to Building and Zoning to Ease Housing Crunch

by Tom Angotti

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Photo by [Leonem](#)

Hunters Point is one of the developments the administration hopes will boost the supply of affordable housing in the city – but how convenient or affordable will it be?

Albany last month finally found a way to [continue rent regulations](#) in the city. But the new regulations barely address the bigger issues facing housing in the city -- long-term affordability for most tenants and homeowners.

The city's long-term sustainability plan, [PlaNYC2030](#), does acknowledge that challenge. And in its [update released earlier this year](#), the Bloomberg administration takes these efforts a bit further, acknowledging the importance of saving housing and the neighborhoods where people live. However, that too falls short because the mayor still puts the priority on zoning to promote new housing and gives short shrift to preserving our neighborhoods.

After the Bubble

On the bright side, New York City is doing better overall than many other cities, according to a [recent report](#) by NYU's Furman Center, though comparisons can prove difficult because New York's housing, with so many large rental buildings, differs from that of most other cities. Recent announcements of some major new luxury apartment and office deals seem to suggest New York is a long way from any catastrophic collapse.

Despite these hopeful signs, a raft of problems still afflicts housing in New York. Three years after the housing bubble burst, hundreds of construction sites around the city remain stalled. Developers face a shortage of cash, and banks are reluctant to finance purchases. Also, cuts to federal rent subsidies are hurting both tenants and building owners. Public housing is broke, and the city housing authority is looking for private partners to bail it out. Other staples of affordable housing in New York, such as the [Mitchell-Lama program](#), have dwindled after decades of private sellouts.

In a flat economy with high unemployment, tenants and some homeowners in the city face big tax bites. Many homeowners grapple with mortgage debt, while housing values remain stagnant. There are some 40,000 [homeless people](#) living in shelters, over 9,000 households currently affected by foreclosures, about 700 buildings vacated by city order and a record-high stock of what experts euphemistically call "distressed housing" -- homes that are poorly maintained, over-mortgaged and in deep trouble.. And the Rent Stabilization Association reports that last year over 13,000 apartments were decontrolled and thus less likely to remain affordable.

According to the [Real Deal](#), "Home prices declined between the last quarter of 2010 and the first of 2011 in every borough except Queens where housing prices were flat but remain about one third lower than peak values in the fourth quarter of 2006 and mid-2007." And the Wall Street Journal [reported](#) that many condos and homes in the city have borrowed more than the current value of the property.

Following the Green

The articles so far:

[Greener, Greater, Fairer](#) by Dan Steinberg: In PlaNYC, the mayor missed a chance to create not only a more environmentally friendly city but a more economically equitable one too.

[Shades of Brown](#) by Melissa Checker: Under a city program, developers are cleaning up vacant land and building on it. While the projects improve the environment, some do little to serve other needs in their communities.

[Cracks in the Concrete](#) by Anne Schwartz: The Bloomberg administration not only wants a greener New York, it

wants a more permeable one. A look at how green infrastructure could cut costs and clean city waterways.

[The Missing Public](#) by Alyssa Katz and Eve Baron: PlaNYC offers some outstanding proposals, but unfortunately it didn't involve the public very much in creating them.

[Sustainability Watch: Part 2](#) by Tom Angotti and Melissa Checker: With the mayor renewing his plan for a greener New York, Gotham Gazette and Hunter College launch another series of articles about creating a more environmentally friendly city.

[Counting Heads](#) by Andrew Beveridge: City officials squawked when the 2010 census that found growth here has slowed. New York's pride may be wounded, but the census probably got the numbers right.

[A More Modest Proposal](#) by Gail Robinson: In 2007, Mayor Michael Bloomberg unveiled an environmental plan that called for charging people to drive in Manhattan. This time around, he set forth a new, less-controversial agenda.

[Going for the Green](#) by Courtney Gross: Four years after Mayor Bloomberg announced his plan for a sustainable city, is New York a more environmentally friendly city? A report on PlaNYC's wins and losses.

As both housing advocates and real estate investors are quick to point out, housing is not just about a roof over your head, it is about having a home in a decent living environment, or "location, location, location" to use the real estate industry phrase. And affordable neighborhoods are in trouble.

During the real estate bubble, many tenants and homeowners in affordable apartments and homes that were subsidized with public money either took cash incentives to move or were pushed out of their homes. This fractured their connections to friends and neighborhood, a prime element in the city's lively communities. A mix of long-time residents was replaced by a homogeneity of young singles seeking the "authentic" neighborhoods that are no more. The remaining affordable neighborhoods are looking at the possibility of more overcrowding, less money for building maintenance and more vacant buildings.

Gaps in the Plan

Looking at the city's long-term housing plan, you would never know there had been a bubble or that we cannot simply build our way out of any crisis. The PlaNYC2030 four-year update, released on Earth Day this year, is all about building hope and enabling new apartment construction. With its penchant for numerical targets, the plan focuses on how many homes the city plans to create and preserve by stimulating growth through zoning changes.

One of the plan's goals is to have completed 165,000 affordable units by 2014. Almost two thirds of these will be renovations of existing units, and only one third will be the result of new construction. All accounts suggest that numerical goal will be met, though it's not clear what is expected to happen after that – almost certainly under the next mayor, who may very well ignore this administration's plan altogether.

As commendable as the accomplishments may be, meeting the 2014 target will not solve the city's more deep-rooted affordable housing problems. The city's housing plan is all about increasing supply, mostly by encouraging market-rate development, yet the real crisis has been the loss of existing affordable units. If the past is prelude to the future then the city may end up losing more affordable housing than it is able to create. The mayor has on many occasions claimed that attracting more people with higher incomes is a sign of a successful city, yet more upscale housing is likely to increase rents and house values in existing affordable neighborhoods.

The emphasis on encouraging new construction flows from the prediction that almost a million more people will live in New York by 2030. The 2010 census [refuted](#) the city's optimistic population projection -- although the city charges that the census undercounted in many neighborhoods. However, the jury is still out, and the optimistic estimate of growth looks more like a goal to be attained than a challenge to be met. (See my [2007 analysis](#), which cited PlaNYC2030's departure from standard projection methods).

To house these additional New Yorkers, the administration hopes to build more housing near transit stops and on cleaned-up industrial land. It claims that this "transit-oriented development" (defined in the plan as projects within a half mile of mass transit, which covers 70 percent of the city) and "brownfields reclamation" (cleaning up and building on abandoned industrial sites) will help achieve the mayor's goal of a "greener, greater New York."

However, [Brian Paul](#) and [Melissa Checker](#), both writing in Gotham Gazette, have questioned how effective these strategies will be. As evidence of what they hope to accomplish, the city's planners point to large-scale projects for new development such as [Hunters Point](#) and [Willets Point](#) in Queens. It is a bit of stretch to call either of them transit-oriented when they are expected to include substantial parking and will have to rely on the declining fortunes of bus transit in the outer boroughs.

Then there is the issue of who will be able to afford to live there. Some projects, including Hunters Point, define affordable by using the official [area median income](#), which is almost twice as high as the median in New York City. Thus, most people with low incomes will not be able to afford these homes. Another large project slated for affordable housing, Forest City Ratner's [Atlantic Yards](#) in Brooklyn, has yielded only a basketball arena after some eight years of planning.

The most telling map in the 2030 plan update housing section shows the concentration of "affordable" homes created under the mayor's [New Housing Marketplace](#) plan since 2004. They are concentrated in the neighborhoods in central Brooklyn and upper Manhattan that have experienced intense gentrification and where many more affordable units have been lost. The map only shows the number of new units added, not those that have been lost, ignoring the fact that some of these neighborhoods now have fewer moderately priced homes than they did in 2004.

The new version of the 2030 plan does acknowledge the significant erosion of affordability guarantees (like those provided by the Mitchell-Lama program), and at one point proposes extension of these guarantees. It remains to be seen whether efforts to do this will gain any traction in years to come.

A Nod to Neighborhoods

One of the admirable changes to the mayor's long-term plan is that the housing section is now called Housing and Neighborhoods. Missing in the earlier version was any idea that housing is only one aspect of the quality of life in the hundreds of diverse city neighborhoods.

As welcome as this change may be, when you dig into the plan's content, it's hard to find any major role for neighborhoods. The mayor remains focused on bringing in new housing -- not on a set of neighborhood plans for improving housing, or a plan in which both City Hall and communities participate. There is no clear role for community-based organizations, civic groups or community boards. The city's 59 community boards, though poorly funded and lacking official power, are the [only official institutions](#) at the neighborhood level.

Although the 2030 update proposes a Greener Greater Communities initiative and mentions a particular example involving community groups in East New York, this focuses on energy conservation, open space and other environmental improvements without necessarily addressing the big question of affordability in a neighborhood that has very high levels of foreclosures. The plan's contribution to community involvement is summed up in the proposal to create a web site, [Change By Us](#), that would encourage people to organize to solve problems by providing them with information. To the thousands of dedicated housing activists around the city who are already organizing and whose real problem is not information but more support from public agencies, this could sound a bit patronizing. Perhaps what is needed is a better way advocates for affordable housing can help shape city housing policy so that it truly strengthens neighborhoods.

In the 2030 plan update, zoning remains the main tool for promoting new housing development as it has been in the last decade. The City Planning Department boasts of having completed a record 100 rezoning plans in that time period.

The plan does not address, even briefly, concerns that zoning changes may have contributed to the wave of gentrification and displacement or fueled the real estate frenzy, as strongly hinted in [another report](#) by NYU's Furman Center. That study showed how zoning changes protected many white, middle class neighborhoods by reducing options for new development, while concentrating growth in lower-income communities of color, the very neighborhoods where large numbers of people are being priced out of their apartments. The city's inclusionary zoning policy, which gives developers bonuses for building affordable housing, has produced less than 2,000 units over the last decade while more than 200,000 affordable units were lost.

Of the 11 initiatives listed in the Housing and Neighborhoods section of the updated PlaNYC2030, the last two are

the most important because they focus on preservation and not new development. The first, initiative 10, sets a goal to "preserve and upgrade existing housing," and identifies new and beefed-up programs to finance building rehabilitation; it proposes strengthening existing affordability guarantees so that they last longer. Also, the Small Owner Repair Program and other initiatives would help preserve 34,000 housing units through 2014.

Initiative 11 is potentially the more path-breaking because it aims to "proactively protect the quality of neighborhoods and housing." The plan commits the city to the important task of identifying distressed properties. Its goal is to evaluate 1,000 at-risk buildings in three years, most likely only a fraction of the total.

The two short paragraphs dedicated to this item provide little sense of where this is going. Overall, these two initiatives could represent a welcome change in focus by the Bloomberg administration. It remains to be seen, however, whether they are an afterthought or a genuine move to strike out in a new direction, away from a focus on new development and toward greater emphasis on preservation.

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