

New York City Comptroller Scott M. Stringer



FOR IMMEDIATE RELEASE PR15-12-116 December 3, 2015 Contact: Eric Sumberg, (212) 669-3535, <u>esumberg@comptroller.nyc.gov</u>

## COMPTROLLER SCOTT M. STRINGER ANALYSIS: EAST NEW YORK REZONING PUTS NEARLY 50,000 AREA RESIDENTS AT RISK OF DISPLACEMENT

More than half of area residents would be unable to pay rent for new "affordable" units

# Stringer calls on City planning to tailor plan to needs of community

(New York, NY) -- New York City Comptroller Scott M. Stringer today released a <u>detailed analysis</u> of the City's proposed rezoning plan for East New York, finding that the 'affordable' housing created by the plan would be too expensive for 55 percent of neighborhood residents, and that the new market rate units would be beyond the reach of 84 percent of current residents.

The analysis of East New York, the first neighborhood where the City has assessed the potential impacts of rezoning, showed that the current rezoning plan would boost the number of housing units in the area by 51 percent, adding a total of 6,312 new apartments to the neighborhood. However just 1,724 of these would be affordable rental units available to existing neighborhood residents, and in certain circumstances that number could drop to low as 948 units. As a result, the plan threatens to displace many of the nearly 50,000 low-income tenants who today live in the area's 21,788 units that are not protected by rent regulations.

"For generations, East New York has been overlooked and under-resourced by the City in schools, parks, public transit, and affordable housing," Comptroller Stringer commented. "However, instead of strengthening the affordability of this community, the proposed rezoning would instead serve as an engine for displacement. The plan's so-called 'affordable' apartments would be too expensive for more than half of current residents, and the introduction of a large number of market rate units could push even more people out of the neighborhood."

In a <u>letter</u> sent on Wednesday to City Planning Commission Chair Carl Weisbrod, Comptroller Stringer added, "There's nothing affordable about a housing plan that is beyond the reach of half the community."

#### **Income vs. Rent Costs**

- The Comptroller's analysis shows that the Area Median Income (AMI) in East New York today is \$32,815. Using City and State metrics which define an affordable rent as 30 percent of income, to pay for the new "affordable" units projected in the new buildings, a family of three would have to earn at least \$46,620 a year.
- For that same family to move into a market-rate unit in that same new building, they would have to make upwards of \$83,484 more than double the current AMI in East New York.

### Number of Affordable Units for East New York Residents

- The City has estimated its plan will produce 3,447 affordable housing units in the neighborhood through a combination of mandatory inclusionary zoning and a series of additional subsidies. Consistent with City policy, only half of these units (1,724) would be set aside for the neighborhood's current residents.
- In fact, the overall number of affordable housing units could fall as low as 1,896, with half going to the community (948 units), if subsidies from the City's Housing Preservation and Development Corporation fail to incentivize developers to build additional affordable housing.

### New Units Fail to Mitigate Displacement

• Whether the number of affordable units created for current East New York residents is 948 or 1,724, the plan would still fall woefully short of protecting the estimated 49,266 tenants currently living in the area's 21,788 unprotected units.

• While East New York is currently home to many apartments that are affordable to a wide variety of income levels, the neighborhood lacks the robust protections afforded by rent stabilization when compared to many other neighborhoods and is thus particularly vulnerable to upward pressures in the rental market. In fact, the number of rent stabilized units in the 37th Council District (which includes part of East New York and the surrounding communities) fell by more than 14 percent between 2007 and 2014 —the eighth largest decline among the City's 51 Council Districts.

### Recommendations

The Comptroller made a series of recommendations for amending the current proposal in order to promote development that is tailored to the needs of specific communities, while taking concrete steps to reduce the risk of displacement:

- Abandon the current 'one-size-fits all' approach to rezoning, and instead create a special district that targets upzoning (which adds density) on a more limited basis. Specifically, the City should focus on development sites that have been identified in advance by both the Department of Housing Preservation and Development and developers to ensure that the City can increase the number of units that are truly affordable to the majority of residents in the community.
- Establish clear, enforceable rules prohibiting harassment of existing tenants to reduce the threat of displacement, including but not limited to the "certification of no harassment." This protection severely penalizes landlords who have harassed tenants by requiring them to build additional affordable housing. This protection is already in place in other neighborhoods in the city, including Greenpoint/Williamsburg in Brooklyn, and Hell's Kitchen/Clinton in Manhattan.
- Target the affordable housing income levels to the local community rather than relying on the citywide AMI thresholds used in the current plan. For example, New York City's AMI for a family of three is \$77,700, which is more than double East New York's AMI of \$32,815.

"When it comes to urban planning, we need to do a better job of listening to existing communities, engaging residents, and considering the long term impact of rezoning on the people who have lived in our neighborhoods most, if not all, of their lives," added Comptroller Stringer. "Once a developer's shovel hits the ground, the die has been cast for generations. We have to do this right. East New York is one of dozens of communities that have voiced their concern with the Mayor's proposed rezoning plan. One size fits all doesn't work for New York City. We must find ways to ensure community-based development is the way we move forward together."

To read the full analysis, please click here.

To read Comptroller Stringer's <u>letter</u> to City Planning Commission Chair Carl Weisbrod, please click here.