



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
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**Testimony Before
The New York City Planning Commission
Regarding East New York Rezoning
(C 16035 ZMK, N 160036 ZRK, 160037 HUK, 160042 HDK, N 160050 ZRK)**

Thank you Chair Weisbrod and the members of the commission for the opportunity to testify on the East New York Rezoning.

The goal of the overall plan – to create more affordable housing – is both necessary and laudable, and zoning is an essential lever in the City’s fight to achieve this goal, particularly in neighborhoods that have the infrastructure to support additional density. But I have serious concerns about the unintended consequences of the large increase in density without robust protections in East New York.

I must express my opposition to the proposed plan absent meaningful changes to meet community concerns.

In short, while there will always be powerful market forces that put renters at risk of displacement, a new, detailed analysis by my office relying on the City’s own data shows that the current plan could inadvertently displace tens of thousands of families in East New York, the vast majority of whom will be unable to afford the relatively small number of new units that will be built.

Based on analysis by my office, the proposed rezoning has a potential significant impact on indirect residential displacement and the plan must be modified to eliminate or mitigate this impact. While the DEIS contends that there will not be a significant impact on indirect displacement, it’s conclusion is based on two assumptions: 1) there will be a large number of affordable housing units created; and 2) that there is already market pressures putting people at risk.

Based on my analysis, the proposed plan will produce too few units to mitigate the impact and the proposed rezoning will *increase* the displacement pressures, which is the true test per CEQR, by introducing a new population into the area.

Specifically, my analysis found:

- There are currently 21,788 market-rate units—non-NYCHA units that are not subject to rent stabilization—which are home to 49,255 low-income residents in East New York

and the surrounding communities.¹ The rezoning would place these residents at an increased risk of displacement by creating new rental pressures on existing residents through the induction of thousands of new higher income residents.

- 84 percent of residents in East New York and the surrounding communities will be unable to afford the market rate housing units proposed under the rezoning, and 55 percent will be unable to afford the affordable units based on the MIH income requirements. These new units will increase the population of the rezoning area by over 50%.
- The DEIS projects that the combination of mandatory inclusionary housing and a series of additional subsidies will produce 3,447 affordable housing units in the neighborhood. However, only half of these affordable housing units will have a community preference, netting as few as 1,724 affordable housing units for current residents.²
- Under a more conservative estimate which focuses on the effects of rezoning alone, as few as 1,896 affordable housing units could be produced, with only half of those (948) set aside for residents of the local community through community preferences in the City's affordable housing lotteries.

Regardless of the methodology used, the anticipated number of new affordable housing units is simply not enough to mitigate the increased economic pressures on the residents of the neighborhood's 21,788 unprotected units. Even under the more optimistic scenario, if every affordable housing unit was reserved for those in the community, low-income residents in more than 20,000 units would still be at risk for displacement.

While I am pleased that HPD has committed to applying subsidies to create more deeply affordable units, to-date, a full plan on those subsidies has not been released. According to HPD's July 1, 2015, "Housing Strategies: Open House Boards" on East New York, the agency has only made a commitment for 1,200 affordable units (600 available for the community),³ while the DEIS calls for over 3,447 affordable units. However, we still do not know which programs will be used, the specific sites selected for the subsidy, or even which developers are committed to the subsidies has not been released.

Absent a comprehensive plan that indicates which sites are going to generate the affordable housing based on actual commitments or regulations that require the housing to be built, the goal of producing 3,447 affordable housing units must be seen as simply that – an aspirational goal. It is therefore appropriate that the DEIS acknowledge the potential for the current plan to cause secondary displacement. Further, the East New York plan must be revised to better balance the

¹ This includes the Primary and Secondary Study Areas likely to be affected by the proposed rezoning.

² City policy dating to the 1980s states that half of the apartments in a low-income housing development receiving city subsidies be rented to residents already living in the same community district. The Anti-Discrimination Center of Metro New York is currently challenging this "community preference." See: <http://www.antibiaslaw.com/sites/default/files/Complaint.pdf>.

³ <http://www1.nyc.gov/assets/hpd/downloads/pdf/community/East-New-York-Boards.pdf>

proposed density with affordable housing to prevent this significant impact.

Rather than continue on the current path, I recommend that the city work with the community to devise a plan that works with, not runs over the local community concerns. The Coalition for Community Advancement has made a thoughtful case for advancing their community plan, which includes ways to proactively advance community goals by increasing the amount of affordable housing, creating deeper levels of affordability, focusing on preservation of existing units, creating new opportunities for workforce development, improving infrastructure and reducing density to name only a few of the proposed changes.

I call on the city to review the coalition's proposed changes and adopt the recommendations where possible. If the city believes that the changes cannot be achieved, it should respond to the community members with both the reasoning and alternatives that meet or exceed the goals of the community.

Further, it is important that the city work to not only achieve these mitigations and revisions to the plan, but do so in an enforceable way. Administrations change and with them priorities may shift as well. History has shown that new administrations will walk away from mitigations that do not align with their goals.

Much of the community's plan, such as eliminating the R6A districts on the side streets and removing the MX districts can be achieved through standard zoning tools. Others such as creating deeper levels of affordability and introducing anti-harassment displacement could be done through the creation of a special district or a city-wide text change. Finally, tax abatement programs, school construction commitments and other proposals may require multiple bodies to approve and review. However, city agencies can begin their review of these changes now, which will allow bodies such as the city council to fully evaluate the programs concurrently with the zoning proposal.

I believe that working together we can chart a path forward that meets local concerns and avoids the unintended consequences such as secondary displacement.

Thank you for the opportunity to testify today.