



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

December 2, 2015

Carl Weisbrod
Chairman
City Planning Commission
120 Broadway, 31st Floor
New York, NY 10007

Re: East New York Community Plan and Mandatory Inclusionary Housing

Dear Chairman Weisbrod,

I am writing to submit my analysis on the proposed East New York Community Plan and the Mandatory Inclusionary Housing text amendment. The City Charter clearly states that the Comptroller is responsible for advising on and safeguarding the fiscal health of the city, and maintaining our affordable housing stock is certainly critical to that mission.

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 applying a one-size-fits-all approach to upzoning in communities across the five boroughs, including East New York.

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.

As a result, I urge the Commission to amend the proposal to address the concerns outlined below, as well as concerns expressed by many in neighborhoods across the city.

The proposed rezoning is grounded in the principle that increasing the supply of housing units is a central key to solving New York’s affordable housing crunch. And indeed, according to our analysis of the draft environmental impact statement (DEIS), the plan will increase the total number of housing units in the East New York rezoning area by 51 percent. This increase will inevitably serve to drive up rents and add new pressures on the current housing marketplace, without enough new, affordable units to sufficiently mitigate the impact on the community.

Adding to that pressure is the fact over the past seven years, 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—the eighth largest decline among the City’s 51

Council districts.ⁱ In short, while East New York is currently home to many apartments that are affordable to a wide variety of income levels, the neighborhood lacks the protections afforded by widespread stabilization and is thus particularly vulnerable to upward pressures in the rental market.

Specifically, according to my office's analysis, there are 21,788 unprotected units that are home to nearly 50,000 low-income residents in East New York and the surrounding communities.ⁱⁱ

As our analysis shows, the area median income (AMI) in East New York today is \$32,815. But to afford even the "affordable" units that would be created in new buildings under the rezoning, a family would have to earn \$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 short, our analysis shows that 84 percent of East New York residents and the surrounding communities will be unable to afford the proposed market-rate units created under the plan, and more than half—55 percent—will be unable to afford the proposed "affordable" units.

A deeper look at the amount of housing to be created also suggests that the current plan simply does not create an adequate number of units to absorb all those who will be displaced. The City's own calculations suggest that the current plan will produce 3,447 affordable housing units in the neighborhood, through a combination of mandatory inclusionary housing and a series of additional, still unspecified subsidies. Only half of these affordable housing units will have a community preference, netting as few as 1,724 affordable housing units for current residents.ⁱⁱⁱ

However, even that number might be overly optimistic. As the City has acknowledged, creating 3,447 affordable units will require subsidies from the City's Housing Preservation and Development Corporation that are separate and apart from any zoning proposal. To date, the subsidy plan has lacked specifics. For instance, aside from one city-owned lot, it is not clear which development sites will accept these subsidies.

Our analysis shows that if the new subsidies fail to adequately incentivize developers to build additional affordable housing and the city must rely on the 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.

Whether its 1,724 or 948, the bottom line is that the anticipated number of affordable housing units is simply not enough to mitigate the increased economic pressures. Indeed, 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.

As a result, the plan amounts to an engine for displacement, rather than a vehicle for stability and affordability, in one of our City's neediest communities.

I therefore ask that the City amend the current proposal and chart an alternate course that promotes development on sites that are tailored to affordable housing and takes concrete steps to reduce the risk of displacement. Specifically, the City should:

- Abandon its one-size-fits all approach to rezoning and instead create a more targeted plan that upzones, or adds density, on a more limited basis. Specifically, the City should focus on upzoning development sites that have been identified in advance by HPD and developers to ensure that the City can increase the number of units that the community can afford.
- 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 is already in place in other neighborhoods in the city, including Greenpoint/Williamsburg in Brooklyn and Hell’s Kitchen/Clinton in Manhattan, and severely penalizes landlords who have participated in harassment by requiring additional affordable housing to be developed.^{iv}
- Target the affordable housing income levels to the local community rather than a citywide standard. Under the current plan, 55 percent of residents in East New York and the surrounding communities cannot afford the so-called affordable housing units, which are pegged to citywide AMI thresholds. The City should create a more customized benchmark that more adequately reflects a community’s median income levels. There is nothing “affordable” about a housing plan that is beyond the reach of more than half the community.

I have attached our analysis of the DEIS, and I thank you in advance for your time and consideration. Please feel free to contact me at (212) 669-2571 if you wish to discuss these recommendations further.

Sincerely,



Scott M. Stringer
New York City Comptroller.

ⁱ <http://iquantny.tumblr.com/post/125485105679/rent-stabilized-housing-is-disappearing-fast>.

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

ⁱⁱⁱ 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>.

^{iv} Under the provisions of the Special Clinton District, if Housing Preservation and Development finds that tenants in a building have been harassed, the landlord is typically given the option of “curing” the act by setting aside 28 percent of residential floor area in the proposed development for affordable housing (at 60 percent AMI) or the same for offsite within the special district (in addition to any additional affordable housing requirements for new development). See: <http://bridginggowanus.com/housing-rec-2/>.