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Mayor's Housing Plan Shifts From Building to Preserving Units: Report

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By Cindy Rodriguez

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(Bob Hennelly/WNYC)

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Mayor Michael Bloomberg's pledge to build 165,000 affordable housing units over 10 years is on schedule — but many of the units won't be new as originally planned, according to a report.

The city's Independent Budget Office found the planned number of newly constructed affordable apartments declined sharply from 56 percent to 36 percent after the housing bubble burst in 2008.

Instead, the city relied more heavily on preserving already existing cheaper apartments.

"While it's not technically new affordable housing, this housing might become unaffordable in the absence of city subsidies," said Ingrid Gould Ellen of NYU's Furman Center. "So on net, the city is going to end up with more affordable housing if that critical resource is preserved."

IBO Housing Analyst Elizabeth Brown, who authored the report, said typically preserving existing apartments means the city offers repair loans, tax incentives or mortgage restructuring. In exchange, building owners agree to keep rents down for a specific amount of time, typically 30 years.

"It would usually mean an increase in quality of life for tenants," said Brown, who explained that 70 to 80 percent of these units already have tenants living in them.

Because many of the tenants in the preserved units are low-income, the mayor's plan wound up benefiting them more than expected, the report found.

Originally, 68 percent of overall affordable housing units were targeted the low-income (for a family of four that means earning less than $67,000 a year). The IBO says currently the number is up to 83% which means fewer units for moderate- and middle-income New Yorkers.

Initially there was concern that the mayor's plan wouldn't end up benefiting the neediest family.

"And as it turns out, it did," Ellen said.

But more affluent renters are not completely out of luck. Within the next few years, a development along the East River in Long Island City is supposed to generate 3,000 apartments for moderate- and middle-income New Yorkers.

The city's Department of Housing Preservation and Development said that responding to the market and adjusting focus has allowed the agency to keep on pace and meet production goals.

The deadline for reaching the 165,000 mark is July 2014. As of the end of fiscal year 2011, the city had 41,000 apartments remaining.

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Cindy Rodriguez has been a staff reporter at WNYC, New York Public Radio since July of 2002. As the station's urban policy reporter she covers the impacts of poverty on communities in all five boroughs. ...

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