

Housing New York

Building a More Affordable NYC

NYC

Department of
Housing Preservation
& Development

European Smart and Sharing Cities
Prague, 22-23 November, 2018

- How do we serve New Yorkers, past and present?
- Problems we address and strategies for addressing housing affordability
- Regulating housing for the long term



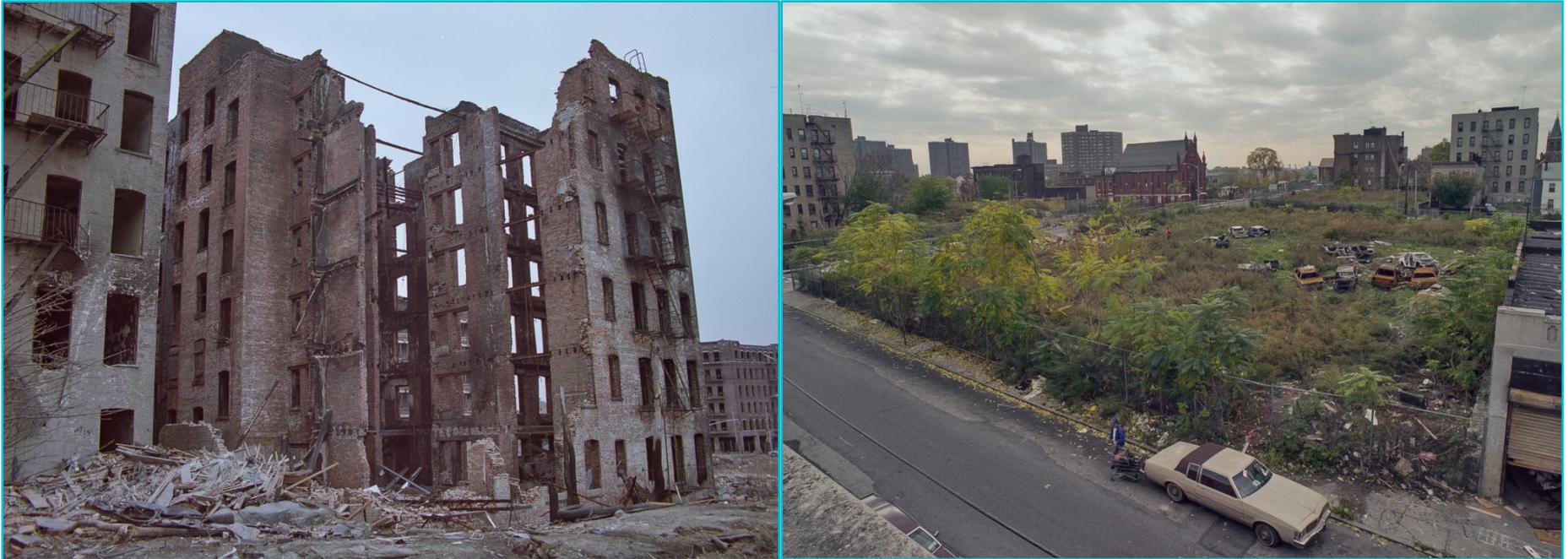
HPD Mission + Core Responsibilities

- Preserve affordable housing and protect tenants
- Create new affordable housing
- Code enforcement to ensure quality and safety
- Managing the City's affordable housing stock
- Budget and Section 8 management
- Enacting housing policy and conducting data analysis

Context

- HPD has been investing in neighborhoods through new construction and preservation efforts for decades
- Agency established in 1960 → 1978 as HPD
- 1970s saw significant decline and disinvestment, consistent with many US cities across the nation
 - City acquired significant volume of vacant properties and land through the tax foreclosure process
 - At height of crisis (1980), HPD owned 101,532 units
- Neighborhood planning challenges and opportunities have shifted as the NYC market has changed over time

Historical Context



In the 1970s and '80s, HPD took in tens of thousands of abandoned lots and properties and worked with non-profit and private developers to help rebuild the South Bronx, Harlem, and so many neighborhoods across the city.

Challenges Today

- General shortage of housing → rising rents
- Land costs
 - Land owners have market options
 - Affordable development more financially feasible in lower-cost areas of city
 - Lack of available public land for new affordable housing development
- Neighborhood investments and supply-side solutions are perceived to carry gentrification and displacement risks

Affordability crisis

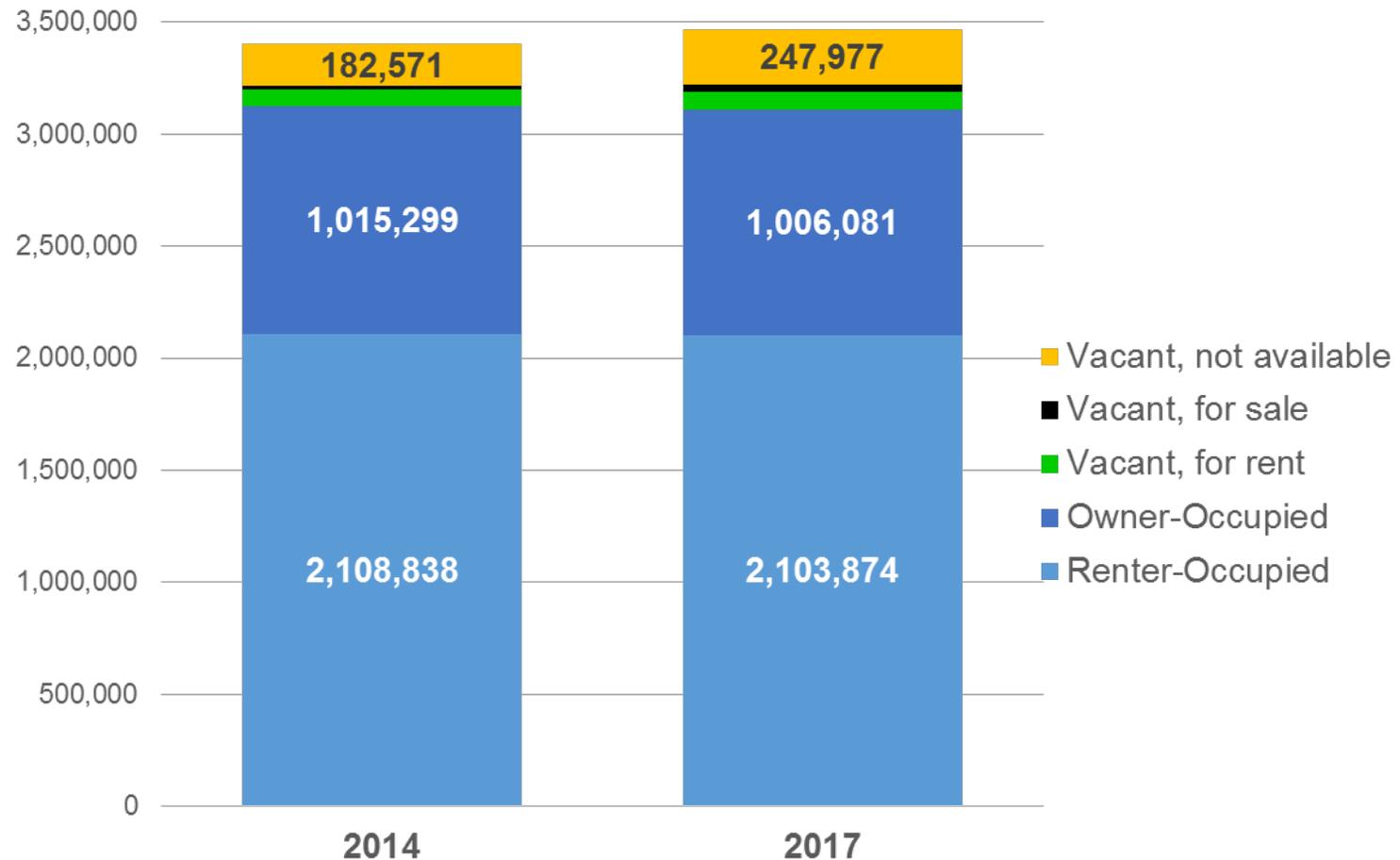
Rents rising faster than incomes:

- Between 2000 and 2016, the share of households earning between \$40,000 and \$100,000 decreased 3%, while the share earning less than \$40,000 increased 2.2%.
- Over the same time period, rents rose 31.2%, yet median renter income rose only 3.6%.

Static/declining wages = Increased rent burden across all income bands. In 2016:

- Extremely and very low-income families experiencing a moderate and severe rent burden (85.1% and 77.5%, respectively)
- Low, moderate-income, and middle income households are experiencing significantly greater rent burden

NYC Housing Stock Overview



Source: U.S. Census Bureau. See 2014 and 2017 NYC Housing and Vacancy Survey, Selected Initial Findings, Table 1 1

Balanced Approach: Deploying a Wide Range of Programs



Preservation

- LIHTC Preservation (Year 15) Program
- Multifamily Housing Rehabilitation Program (HRP)
- Multifamily Preservation Loan Program (MPLP)
- Green Housing Preservation Program (GHPP)



New Construction

- Extremely Low and Low-Income Affordability Program (ELLA)
- Neighborhood Construction Program (NCP)
- Mixed Income Program (Mix & Match)
- Mixed Middle Income (M₂)



Special Needs

- Supportive Housing Loan Program (SHLP)
- Senior Affordable Rental Apartments (SARA)



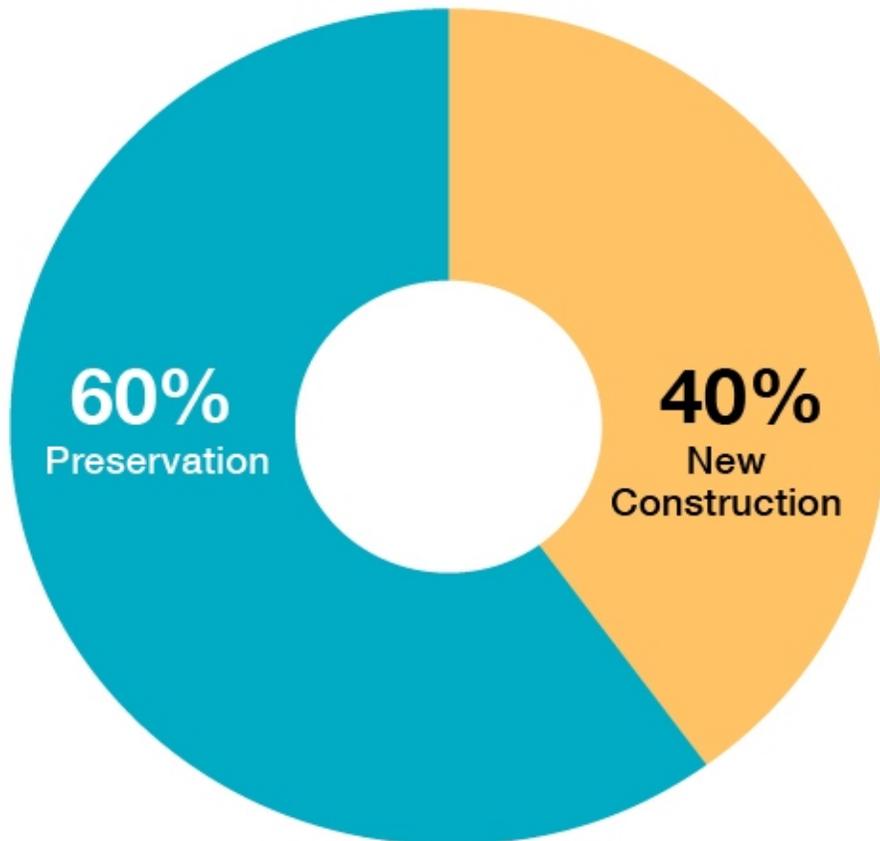
Homeownership

- New Infill Homeownership Opportunities Program (NIHOP)
- HomeFirst Down Payment Assistance
- Affordable Neighborhood Cooperative Program (ANCP)

Clockwise from upper-left: Stuyvesant Town, Manhattan; rendering of La Central development in Melrose, The Bronx; 2425-2427 Mermaid Avenue in Coney Island, Brooklyn; Mayor de Blasio helping 16 formerly homeless veterans move into 655 Morris Avenue, The Bronx.

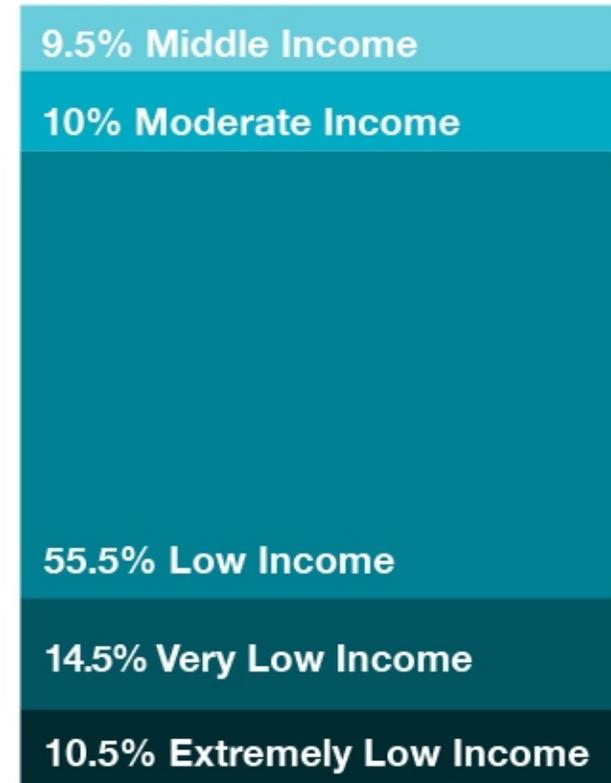
Housing New York: 300,000 Affordable Homes by 2026

**Targets for
New Construction vs. Preservation**



Targets for Households Served

Share of Housing Units Created
Or Preserved by Income Band



Financing Tools

A. Loans

- Permanent debt
- HPD subsidy

C. Real estate / property tax incentives

- Require different levels of affordability
- May be full or partial tax exemption

D. Federal and state tax credits

- 9% credits available through annual competitive process
- 4% available as of right with tax exempt bonds

E. Operations

- Tenant or Project-Based rental subsidies

Ensuring Affordability

A. Regulatory agreement – 60 YEARS OR MORE

- Executed at closing
- Runs with the property (i.e., unaffected by sale)
- Describes requirements for affordability, including term, mix, rent limits, income limits, and compliance

B. Other tools include:

- Rent stabilization
- Enforcement mortgages

Change is inevitable, how do we manage it to create the conditions for an equitable city for all New Yorkers?

