
Losing Ground

How Middle Class, Working and Poor
New Yorkers Are Being Priced Out

Housing Here and Now

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Table of Contents

Housing Here and Now.....	4
Executive Summary.....	5
A Devastating Problem: Loss of Affordable Housing.....	7
The Causes: Why We're Losing Affordable Housing.....	13
What's at Risk: Looking to 2015.....	16
The Solution: Implement te New York Is Our Home Platform.....	19

Housing Here and Now

In February 2005, a broad-based coalition of unions, clergy, community-based organizations and advocates launched Housing Here and Now (<http://www.housinghereandnow.org/>), a citywide effort to demand that policymakers take action to create and preserve decent affordable housing for all poor, working and middle-class New Yorkers.

Housing Here and Now is proud to have helped achieve the New York City Housing Trust Fund from Battery Park City funds, several inclusionary zoning victories and new policies to increase placement in permanent housing for people living with HIV/AIDS. In the spring of 2006, we won a landmark agreement with the multifamily lending industry's major players in New York City, ensuring that these banks will consider property conditions in all stages of their lending process. More recently, Housing Here and Now helped to negotiate the creation of a new housing code enforcement program to target the City's worst buildings. The Speaker is codifying this program with a Council bill, the Safe Housing Act. Housing Here and Now has also worked successfully to build support for significant reform of the 421a tax benefit program, helping to ensure that a larger proportion of newly constructed housing will be affordable to lower and middle income households.

Our most recent and ambitious effort, the New York Is Our Home campaign (<http://www.newyorkisourhome.org/>), unites nearly 100 housing and community groups with the New York Central Labor Council and the Working Families Party. This campaign seeks major reforms to preserve rent-regulated and subsidized housing, which, combined with the victories outlined above, would go a long way towards fulfilling Housing Here and Now's mission: affordable housing for ALL New Yorkers.

Executive Summary

There is no doubt that New York City is in the midst of a housing affordability crisis. Department of Housing Preservation and Development (HPD) Commissioner Shaun Donovan recently referred to an “affordability squeeze” and acknowledged the need to preserve regulated apartments, despite his administration’s widely known achievements in housing preservation and construction.¹ Indeed, the New Housing Marketplace plan proposes to create 92,000 and preserve 73,000 units over 10 years and is by far the most ambitious city-level housing effort in the nation.

However, even this serious commitment does not compensate for the affordable units we are losing as a result of damaging City, State and federal policies, and it will not compensate for the units we will lose if these policies are not quickly reformed.

Consider the following:

- Between 2002 and 2005, the number of units affordable to households with incomes at or below 80% of the NYC median income dropped by 204,899.² Projected losses from 2005 to 2015 from the stock affordable to households at 80% of the median income are 610,000 units.³
- From 1994 to 2005, the City lost 50,702 affordable units to high rent/vacancy decontrol alone; at current rates we will lose another 136,255 by 2015.⁴
- From 2004 through 2006, a total of 14,413 Mitchell-Lama and Section 8 units were taken out of those programs; at current rates, we will lose 10,660 more by 2010 and more than 21,000 by 2016.⁵
- A minimum-wage earner would have to work 122 hours a week to afford a one-bedroom apartment at the HUD-calculated Fair Market Rent (\$1,069).⁶
- In February 2007, family homelessness in New York City reached modern record levels, at 9,287 homeless families.⁷

With loss of affordable units at such high rates, it is not possible to build our way out of the crisis through New Housing Marketplace programs. To truly preserve affordable housing, strong and decisive action is needed at *all* levels of government.

Fortunately, there are solutions. The New York Is Our Home campaign has united tenant groups, the Central Labor Council and the Working Families Party to craft the following

¹ Zimmer, Amy. “Easing the Housing Squeeze.” *Metro*, May 10, 2007.

² Furman Center for Real Estate and Urban Policy, “State of New York City’s Housing and Neighborhoods 2005,” <http://furmancenter.nyu.edu/publications/SOC2005.htm> p. 4.

³ Personal communication with Tom Waters, Community Service Society, May 22, 2007.

⁴ Rent Guidelines Board, “Changes to the Rent Stabilized Housing Stock in NYC in 2005,” http://www.housingnyc.com/downloads/research/pdf_reports/changes2006.pdf.

⁵ Personal communication with Tom Waters of Community Service Society; also see Community Service Society, “Closing the Door 2007,” http://www.cssny.org/pdfs/Closing_the_Door_2007_Report.pdf.

⁶ National Low Income Housing Coalition, “Out of Reach 2006,” <http://www.nlihc.org/oor/oor2006/?CFID=9248363&CFTOKEN=63205720>. FMR is developed by HUD annually, based on Census 2000 data and updated using Consumer Price Index data or HUD regional rent change factor developed from Random Digit Dialing surveys.

⁷ Coalition for the Homeless, “State of the Homeless 2007,” <http://www.coalitionforthehomeless.org/advocacy/StateoftheHomeless2007.html>.

proposals to preserve our affordable housing stock and allow New York City to retain its diversity and vibrancy:

- **Preserve Rent-Regulated Units**, including repeal of vacancy decontrol to eliminate the rent threshold that allows owners to decontrol units once they become vacant and hit that threshold.
- **Prevent unfair rent increases** and tenant harassment by strengthening enforcement of the rent laws and making other reforms at the NYS Division of Housing & Community Renewal (DHCR).
- **Preserve Mitchell-Lama and Section 8 Housing**, including extending rent regulations to ALL Mitchell-Lama and Section 8 buildings and closing loopholes that undermine rent protections.
- **Preserve State and City-built public housing** by restoring State and City funding to protect 27,000 units of public housing and to preserve thousands of Section 8 vouchers with an annual State contribution of \$70 million and a City contribution of \$120 million.
- **End the State's Discrimination against New Yorkers Living with AIDS** by capping rental payments to 30% of a tenant's income. The State now requires some tenants living with AIDS and receiving SSI to pay all but \$330 of income toward rent.

A Devastating Problem: Loss of Affordable Housing

To a far greater extent than other US cities, New York City's diversity and vibrancy rely on the affordability and quality of its rental housing. Sixty-four percent of all dwelling units in New York City are rentals.⁸ In the Bronx and Manhattan, this number stands at approximately 80%.⁹ New York City is a renter city and is likely to stay that way: only 5% of home sales were affordable to those earning the City's median income in 2006. Additionally, the owner/renter divide is in part a racial divide. For example, 44% of white New Yorkers own their own home while only 28% of African Americans and 16% of non-white Hispanics do.¹⁰ If New York City is to adequately house its poor and working class and retain its immigrant and people-of-color communities, aggressive measures to preserve affordable rental units must be implemented quickly.

The affordability crisis is most accurately assessed by counting both numbers of units in different categories of housing stock—such as stabilized, controlled, NYCHA, and other types of regulated housing— and numbers of units accessible to poor, working and moderate-income New Yorkers. Although units affordable to the poorer half of New Yorkers are nearly always regulated or subsidized, not all regulated or subsidized units are affordable to poorer New Yorkers. For example, a stabilized unit renting at \$1,189 would require an income of \$47,560, which is above New York City's median income, assuming the renter spends only 30% of income on rent, the standard of affordability.

Preservation of regulated and subsidized stock at all rent levels is crucial because it assures more housing available for moderate and middle income New Yorkers and relieves the pressure of competition for the fewer remaining low-rent units. Preservation reforms such as repeal of vacancy decontrol would help preserve even those well below the decontrol threshold. By eliminating a point at which apartments are deregulated—the holy grail for property owners hoping to bring their units to market rent— vacancy repeal would de-incentivize aggressive pursuit of rent increases such as major capital improvement (MCI) rent increases and the 20% increase allowed upon lease turnover.

There are many indicators of crisis. Between rising rents, loss of units through vacancy decontrol and the buy out of Mitchell Lama developments, 204,899 fewer units in the city were affordable to families at 80% or below of the NYC median income in 2005 than there were in 2002.¹¹

⁸ NYC Department of Housing Preservation and Development, "HVS initial findings 2005," <http://www.nyc.gov/html/hpd/downloads/pdf/2005-Housing-and-vacancy-survey-initial-findings.pdf>.

⁹ For statistics on renter rates for all New York counties, see National Low Income Housing Coalition, "Out of Reach 2006," <http://www.nlihc.org/oor/oor2006/?CFID=9248363&CFTOKEN=63205720>. Note these county-specific statistics date from 2000.

¹⁰ Furman Center for Real Estate and Urban Policy, "State of New York City's Housing and Neighborhoods 2006," <http://furmancenter.nyu.edu/SOC2006.htm>

¹¹ Furman Center for Real Estate and Urban Policy, "State of New York City's Housing and Neighborhoods 2005," <http://furmancenter.nyu.edu/publications/SOC2005.htm> p. 4.

Change in Units Affordable to Households at 80% of NYC Median Income

Household Income as percent of NYC Median Income	Units available in 2002	Units Available in 2005	Change 2002-2005
80%	1,189,962	985,063	-204,899

From 2002 to 2005, the median percent of income paid to rent (rent burden) increased in every borough, with Bronx tenants topping the list with a median of 34.50% of income paid to rent.¹² Further, from 2002 to 2005, the number of households shouldering a severe rent burden, defined by the Furman Center as payment of more than 50% of household income to rent, increased by 104,907. In other words, more than half a million households paid more than 50% of their income to rent in 2005.¹³

Number of Households Paying More than 50% of Income to Rent (Severe Rent Burden)

	Severe Rent Burden 2002	Severe Rent Burden 2005	Increase, 2002-2005
Bronx	91,630	117,645	26,015
Brooklyn	133,465	163,283	29,818
Manhattan	104,492	130,066	25,574
Queens	79,202	103,948	24,746
Staten Island	12,515	11,269	-1,246
NYC Total	421,304	526,211	104,907

From 2002 to 2005, the percent of income paid to rent by low-income unsubsidized households also increased in every borough. In New York City, this figure increased from 43.9% to 50.6%.¹⁴ Here the Furman Center used the HUD definition of low-income: a family of three that earns \$51,050 a year.¹⁵

¹² <http://nychanis.com/NYU/NYCHANIS/>

¹³ <http://nychanis.com/NYU/NYCHANIS/>

¹⁴ <http://nychanis.com/NYU/NYCHANIS/>

¹⁵ Personal email communication with Caroline Bhalla and Rachel Meltzer of Furman Center, May 22, 2007. Also see HUD data at http://www.huduser.org/Datasets/IL/IL06/ny_fy2006.pdf for definitions of low income for different household sizes. New York City averages a household size between 2 and 3.

**Median Percent of Income Spent on Rent
Low-Income Unsubsidized Households**

Borough	Median Percent of Income Spent on Rent by Low Income Unsubsidized Households 2002	Median Percent of Income Spent on Rent by Low Income Unsubsidized Households 2005
Bronx	46.0%	52.4%
Brooklyn	41.5%	48.5%
Manhattan	50.0%	53.3%
Queens	42.9%	50.5%
Staten Island	45.0%	48.8%
NYC	43.9%	50.4%

Low-income households are paying more of their income towards rent as numbers of units affordable to them continue to decline. Consider that from 2002 to 2005, the total number of units in categories of regulated, Mitchell-Lama, HUD subsidized and unsubsidized that was affordable to families living at the poverty level declined by 19%. For families living at twice poverty level, this figure was 15%. For families living at 60% of New York City median income, this figure was 12.5%.¹⁶

¹⁶ NYC Department of Housing Preservation and Development, "HVS initial findings 2005," <http://www.nyc.gov/html/hpd/downloads/pdf/2005-Housing-and-vacancy-survey-initial-findings.pdf>.

Loss of Affordable Housing to Various Income Levels

	Number in 2002	Number in 2005	Loss 2002 to 2005	Rate of loss
Rent-regulated				
NYC median	851,317	780,720	70,597	8.3%
60 % of HUD AMI	799,634	786,707	12,927	1.6%
Poverty	133,292	97,989	35,303	26.5%
Twice poverty	790,813	699,868	90,945	11.5%
Mitchell-Lama				
NYC median	58,150	53,386	4,764	8.2%
60 % of HUD AMI	56,228	53,386	2,842	5.1%
Poverty	15,083	11,780	3,303	21.9%
Twice poverty	54,888	49,266	5,622	10.2%
HUD-subsidized				
NYC median	62,334	50,042	12,292	19.7%
60 % of HUD AMI	55,894	50,429	5,465	9.8%
Poverty	23,643	31,273	-7,630	-32.3%
Twice poverty	54,922	45,973	8,949	16.3%
Unregulated				
NYC median	434,960	347,098	87,862	20.2%
60 % of HUD AMI	371,923	348,094	23,829	6.4%
Poverty	37,154	28,394	8,760	23.6%
Twice poverty	367,596	282,980	84,616	23.0%
Total (these 4 categories)				
NYC median	1,406,761	1,231,246	175,515	12.5%
60 % of HUD AMI	1,283,679	1,238,616	45,063	3.5%
Poverty	209,172	169,436	39,736	19.0%
Twice poverty	1,268,219	1,078,087	190,132	15.0%
Thresholds				
	Rent afforded in 2002	Income in 2002	Rent afforded in 2005	Income in 2005
NYC median	\$1,000	\$40,000	\$1,050	\$42,000
60 % of HUD AMI	\$942	\$37,680	\$1,064	\$42,540
Poverty	\$460	\$18,392	\$484	\$19,350
Twice poverty	\$920	\$36,784	\$968	\$38,700

It is no coincidence that indicators suggest that the homelessness crisis has worsened over these same years. A report released by Coalition for the Homeless in March 2007 found that in the past year the number of homeless New Yorkers in shelters increased by 11.1% (to 35,113), the number of homeless families in New York City shelters increased by 17.6% (to 9,190) and the number of homeless children increased by 18.1% (14,219). Most striking, in February 2007 the Department of Homeless Services reported a monthly average of 9,287 families in the city's shelters, an all-time record high.¹⁷

Increasing rent burdens in poor neighborhoods are driving this increase in family homelessness. In just three years, from 2002 to 2005, in the 10 communities from which most families in the New York City shelter system originate, the number of households with a "severe rent burden" (i.e. paying more than 50% of their income for rent) grew by 31%, from 86,750 to 113,959.¹⁸

**Increase in Households with Severe Rent Burden, 2002 – 2005
For the 10 Community Districts that Most Families in the NYC Shelter
System Come From**

Community District	2002	2005	Change	% Increase
Mott Haven/Hunts Point	8,782	10,171	1,389	16%
Morrisania/Belmont	11,081	17,724	6,643	60%
Highbridge/South Concourse	12,667	15,563	2,896	23%
University Heights/Fordham	13,624	14,751	1,127	8%
Soundview/Parkchester	9,609	13,563	3,954	41%
Bedford Stuyvesant	7,364	11,284	3,920	53%
East New York/Starrett City	5,893	9,373	3,480	59%
Brownsville/Ocean Hill	5,807	7,624	1,817	31%
Central Harlem	7,754	7,782	28	0%
Jamaica	4,169	6,124	1,955	47%
TOTAL	86,750	113,959	27,209	31%

Other recently-implemented and newly-proposed government policies will likely exacerbate these trends.

- NYCHA has proposed to use Section 8 vouchers to compensate for funding that the City and State have failed to provide. Specifically, NYCHA has proposed using 8,400 Section 8 vouchers for tenants in State and City developments, in addition to \$150 million of future Section 8 voucher funds. If enacted, this plan would set an extremely problematic precedent of removing funds in service of one population of needy tenants to support another, instead of adequately funding both.
- In November 2006, New York State mandated that more than 10,000 poor New Yorkers living with AIDS and receiving SSI subsidies or other assistance must pay all but \$330 of their monthly income towards rent. All other rental

¹⁷ Coalition for the Homeless, "State of the Homeless 2007," <http://www.coalitionforthehomeless.org/advocacy/StateoftheHomeless2007.html>.

¹⁸ The top 10 community districts are identified in the Vera Institute of Justice's September 2005 report, "Understanding Family Homelessness in New York City." The data on families with severe rent burdens is from <http://nychanis.com/NYU/NYCHANIS/>.

assistance programs cap the amount that tenants have to contribute towards their rent to 30% of their income.

- New York City's Housing Stability Plus (HSP) voucher program, created by the current administration to compensate for cuts in federal Section 8 vouchers, placed 20% of HSP recipients in buildings with at least 5 housing code violations per unit. Poor conditions force tenants out of lower-rent apartments and contribute to homelessness. HSP is now being replaced by an assistance program with a 1-2 year time limit that has already drawn criticism from advocates and elected leaders for failing to account for the reality of the current real estate and labor markets. In addition to the obvious hardship inflicted on the recently homeless, the high tenant turnover that results from the poor administration and time-limited nature of these programs drives up rents in lower-cost units because landlords can claim the 20% vacancy increase available to them upon lease turnover.

In addition to loss of units affordable to the bottom half of NYC earners, the total quantity of regulated units is declining and will continue to drop without effective intervention. From 1994 to 2004, at least 41,430 units were lost due to high rent/vacancy decontrol. The actual number is likely far higher. Since the State's Division of Housing and Community Renewal (DHCR) does not enforce its registration system, there is no incentive for landlords to volunteer information and increase their own paperwork. In total, at least 131,130 units were removed from regulation during that time period due to high rent/high income decontrol, high rent/vacancy decontrol, expiration of tax benefits such as 421a and J51, conversions and other reasons.¹⁹

Other experts have estimated even higher losses of rent-stabilized and rent-controlled apartments. In a February 2003 study published by the NYS Tenants & Neighbors Information Service, Barbara Elstein-Katz, former senior research analyst at the NYC Department of Housing Preservation and Development calculated a loss of 168,000 units between 1991 and 2002, chiefly due to high-rent vacancy decontrol and coop/condo conversions. Professor Andrew Beveridge of Queens College, in a Gotham Gazette column in December 2003, calculated a loss of 90,000 rent stabilized apartments in the three years between 1999 and 2002. Both these studies used data from the NYC Housing and Vacancy Surveys conducted every three years by the U.S. Bureau of the Census. Methodological problems with the 2005 HVS have frustrated attempts to update these calculations. All experts agree that the pace of decontrol has accelerated.

¹⁹ Rent Guidelines Board, "Changes to Rent Stabilized Housing Stock in NYC in 2004," http://www.housingnyc.com/downloads/research/pdf_reports/Changes2005.pdf.

The Causes: Why We're Losing Affordable Housing

There are many factors contributing to the loss of affordable housing described above. For one, real estate prices have increased far more quickly than tenant incomes. Mortgage lenders are more willing to finance property acquisitions for amounts that exceed the property's financial fundamentals, even in traditionally "undesirable" neighborhoods. This requires landlords to aggressively push rents up in order to service their debt and maintain what they consider to be an adequate profit margin. In addition, poor building conditions increase tenant turnover and decrease the habitability of the remaining housing affordable to low-income New Yorkers.

But it is the combination of damaging policies and outright neglect at the State level that has perhaps done the most to erode New York City's affordable stock. These policies include inadequately funding NYCHA and lack of action to preserve Mitchell-Lama developments. Weakening regulation of rent increases in stabilized housing and implementation of new laws allowing for vacancy decontrol are particularly pernicious.

Strong regulation has historically protected working and lower-income people from the most extreme hardships. For example, the Community Service Society's recent report, *Making the Rent 2002-2005*, concludes definitively that rent regulation "lessens rent burdens carried by low-income New Yorkers."²⁰ As of 2005, one-million households lived in rent-regulated apartments. Weakening of rent laws, loss of Mitchell-Lama housing and lack of adequate funding for NYCHA have combined to create an unprecedented threat to New York City's poor, working and middle class.

Vacancy Decontrol As a result of changes in the rent laws initiated in 1994, rent-stabilized apartments can be deregulated when they become vacant as long as the new monthly rent can be pushed over \$2,000. Vacancy decontrol provides added incentive for landlords to raise rents even in apartments renting at far below the decontrol threshold. Twenty percent vacancy increases (which occur upon lease turnover), major capital improvement rent increases and other types of increases can raise an apartment's rent rapidly, putting it at risk for deregulation.

For example, the rent of a \$1,000 regulated apartment can be raised to \$1,200 upon lease turnover. If the landlord does major renovations, he can add 1/40 of the cost to the lease. \$5,000 worth of improvements will add \$125, bringing the rent to \$1,325. A two-year lease renewal at last year's RGB-determined increase of 7.5% brings the rent to \$1,421. Two more cycles of tenant turnovers will easily bring the rent of this apartment above \$2,000.

This system has taken its toll. As the Pratt Center for Community Development reported in June 2006, "If New York now had the same share of rent regulated units as it had in 1996, the city would now have nearly 112,000 more rent-regulated apartments than now exist."²¹ Without policy reforms, vacancy decontrol will eventually eliminate New York City's rent regulated housing stock.

²⁰ Community Service Society, "Making the Rent 2002-2005," <http://www.cssny.org/pdfs/MakingTheRent2006.pdf>.

²¹ Pratt Center, "Time for a Gut Rehab, June 2006," <http://www.prattcenter.net/gutrehab.php>.

DHCR Regulations In 2000, the Pataki administration made 150 pages of amendments to the State's Rent Stabilization Code. Many new provisions made it more difficult for tenants to successfully file complaints, and all but one favored landlords. DHCR established bureaucratic hurdles making it extremely difficult for tenants to contest rent overcharges and landlord harassment. Enforcement staff was cut by one-third.²²

Some of the most damaging of regulations and policies that enable rent increases include:

- Upon buyout, granting Mitchell-Lama landlords exemptions from rent regulation due to "unique or peculiar" circumstances
- Allowing demolition evictions in buildings that will not be fully razed
- Allowing owners in New York City the right to evict full buildings of tenants for owner use
- Gutting DHCR's registration system by not requiring landlords to register decontrolled apartments
- Enacting a 2003 rule that allows rents to increase from "preferential" rent – a rent level below what is legally allowable-- to the allowable legal rent when a tenant renews his or her lease; this especially endangers low income tenants in gentrifying neighborhoods
- Granting landlord requests for rent increases resulting from major capital improvements (MCIs), such as new boilers, windows and elevators, without substantial review and enforcing prohibitive requirements for tenants challenging those MCI rent increase applications

²² Pratt Center, "Time for a Gut Rehab, June 2006," <http://www.prattcenter.net/gutrehab.php>.

Expiration of affordable housing programs such as Mitchell-Lama. Tens of thousands of affordable Mitchell-Lama apartments have already been lost as owners buy out of the program. More than 40,000 Mitchell-Lama rental apartments and some 47,000 homes in Section 8 properties remain, and these need to be protected or they will be lost as well. Even pre-1974 Mitchell-Lamas are at risk of going to market rent due to the granting of unique or peculiar exceptions. Landlords have successfully claimed that, despite specific requirements that pre-1974 developments be subject to regulation upon buy-out, the very act of buying out constitutes a unique or peculiar circumstance that exempts the development from rent regulation. Further, the threat of a unique or peculiar ruling has resulted in fearful tenants negotiating rent increases with landlords as a way of guaranteeing some rent limits. However, these tenant-negotiated agreements are almost always weaker than rent regulation.

Loss of Mitchell Lama and Section 8

Losses of affordable housing by category	Apts in 1990	Apts 2005	Apts 2006	Lost, 1990-2006	Lost, 2005-2006
Mitchell-Lama					
With federal subsidy	41,822	32,118	30,080	11,742 (28%)	2,038 (6%)
Without federal subsidy	23,823	10,965	9,312	14,511 (61%)	1,653 (15%)
Total Mitchell Lama	65,645	43,083	39,392	26,253 (40%)	3,691 (9%)
Not Mitchell Lama					
Project-based Section 8	52,578	47,000	46,665	5913 (11%)	335 (1%)
Other Federal Subsidy	838	582	582	256 (31%)	0
Total Not Mitchell-Lama	53416	47,582	47,247	6169 (12%)	335 (1%)
TOTAL	119,061	90,665	86,639	32,422 (27%)	4,026 (4%)

Public Housing

Since 1939, the State has financed construction of 66,000 apartments in 143 public housing developments owned and operated by 42 municipal housing authorities. Due to losses and federalization of some developments, only about 20,000 State-assisted public housing units remain in 18 localities, including New York City. Today, NYCHA reports a record \$225 million deficit in large part due to withdrawal of government support and unfair charges.

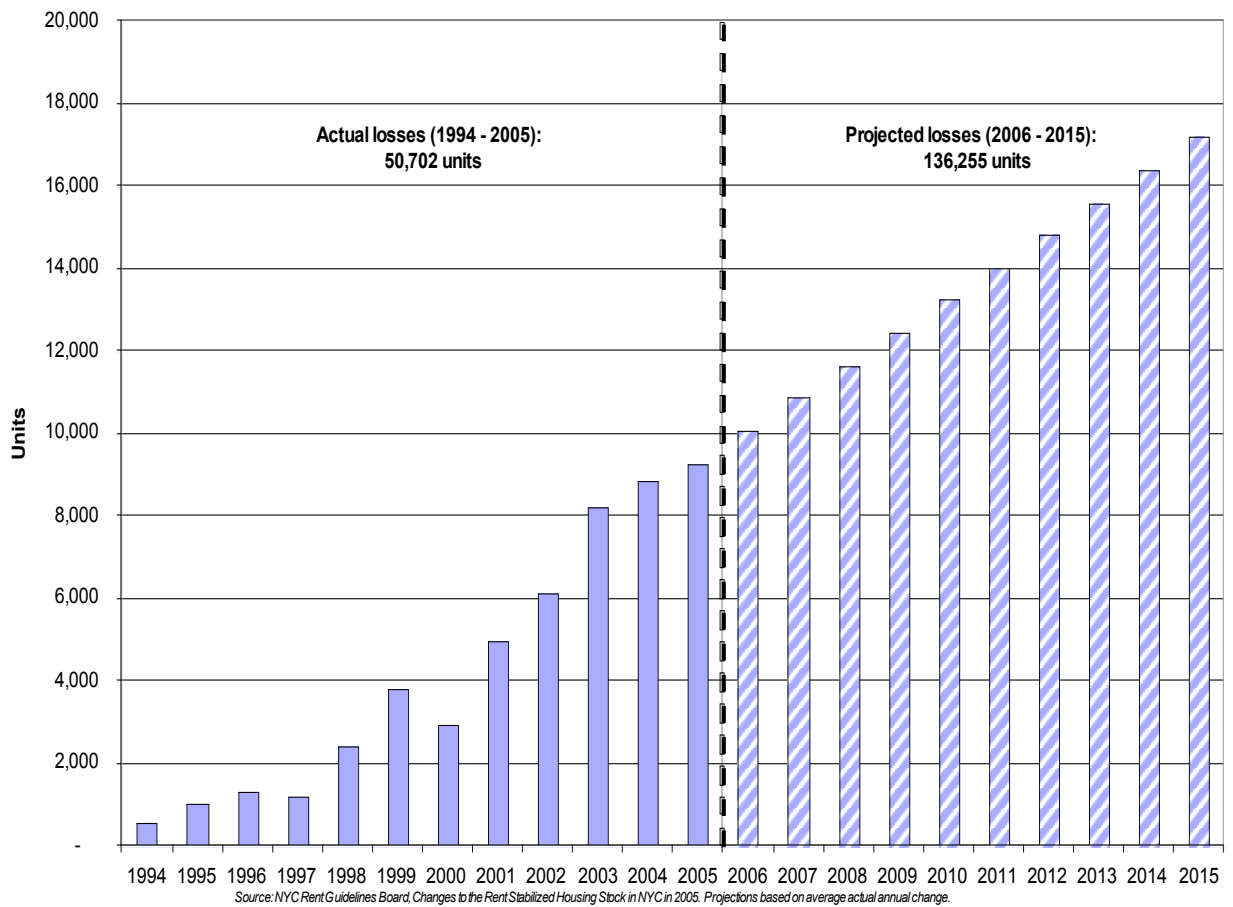
In 1998, Governor Pataki eliminated the funding needed to maintain this vital and aging housing stock. Seventy million dollars per year is needed to support the remaining State units. Further, Mayor Bloomberg followed suit and eliminated City operating subsidies from the 7,000 units of City-operated NYCHA housing in 2003. However, the Mayor and City Council reestablished funding last year, compensating for City's previous years' cuts. Also, the City continues to receive \$100 million a year from NYCHA for basic services such as police and sanitation. These services are ordinarily provided at no cost to other housing developments in the city. Moreover, NYCHA pays the city \$23 million annually for PILOT payments – payments in lieu of taxes. The City waives such payments for most non-profit housing and could do so for public housing in order to reduce the NYCHA deficit.

What's At Risk: Looking to 2015

Loss to Vacancy Decontrol, Conversion, Expiration of Tax Benefits & High Income Decontrol

If current loss of units to vacancy decontrol continues at the pace that NYC Rent Guidelines Board has documented, we will lose at least another 130,255 units to *vacancy decontrol alone* by 2015. If we continue to lose stabilized units for reasons other than vacancy decontrol – conversions (co-op, condo, or professional), expiration of J51 and 421-a tax benefits, and high income decontrol -- at the average annual rate that we lost them from 1994 to 2005, then we will lose an additional 78,728 units by 2015. This is a projected total loss of 214,983 stabilized units between 2006 and 2015.

Losses Due to High Rent/Vacancy Decontrol



Loss of Mitchell-Lama and Section 8 Stock

By the same token, if we continue to lose Mitchell-Lama and Project-based Section 8 stock at the current rates, we will likely lose 16,335 Mitchell-Lama units and 4,969 Section 8 units between 2006 and 2016. This projection assumes that the annual rate of loss going forward remains the same as the average of the past three years for different subsections of these types of housing stock.²³

Loss of NYCHA Housing

NYCHA's \$225 million deficit, service cuts and lack of adequate funding for State and City-aided public housing present an enormous threat to the survival of this vital housing stock. In addition, if successful, NYCHA's *Plan to Preserve Public Housing* will "permanently subsidize the operations of 8,400 non-federal apartments --apartments built by the City and State that do not receive any government subsidy" -- with 8,400 Section 8 Housing Choice Vouchers. This means that these vouchers could no longer be used for their intended purpose.²⁴

The Section 8 waiting list was reopened in February 2007 for three months. As of April 27, NYCHA had distributed 450,159 Section 8 applications and received 201,985. Only 22,000 vouchers are available. Using 8,400 vouchers to cover funding that the State has failed to provide will keep needy families waiting for affordable housing for even longer.²⁵

Thus, by our own conservative estimates, we stand to lose 236,287 units to deregulation, Mitchell-Lama buy-out and Section 8 opt-out by 2016. Counting 21,000 public housing units threatened by inadequate State and City funding, this figure rises to 257,287.

Clearly, the housing crisis has reached a boiling point. Not only does the New Housing Marketplace (NHM) not come close to replacing the quantity of lost regulated units, but many of the projected 165,000 units will not be accessible to those in the bottom half of NYC earners. Sixty-eight percent of NHM units will be affordable to those at or below 80% of the *area* median income, which, at \$56,720 is 120% of NYC median income, and 157% of NYC renter median income.²⁶ Eleven percent of NHM units will be affordable to those at 80-120% of AMI, and 21% affordable only to those above 120% of AMI.²⁷

Much more needs to be done to preserve the remaining affordable stock we have, especially units affordable to low-income and working class people.

²³ Personal communication with Tom Waters, Community Service Society, May 22, 2007. The stock was divided into subsections: Mitchell-Lama without rent subsidies, Mitchell-Lama with rent subsidies other than Section 8, and Section 8. Each of these three were then divided into low, middle and high market areas, creating a total of 9 subsections. These 9 subsections were evaluated for their average rate of loss over the past three years, and this rate was projected each year until 2016.

²⁴ Plan to Preserve Public Housing, NYCHA, April 2006: <http://www.nyc.gov/html/nycha/downloads/pdf/ppph-eng.pdf>

²⁵ <http://www.nyc.gov/html/nycha/do>

²⁶ Rent Guidelines Board, "2007 Income & Affordability Study," http://www.housingnyc.com/downloads/research/pdf_reports/ia07.pdf.

²⁷ "New Housing Marketplace: Creating Housing for the Next Generation," <http://www.nyc.gov/html/hpd/downloads/pdf/10yearHMplan.pdf>.

The Solution: Implement the New York Is Our Home Platform

The affordable housing crisis has redefined the lives of nearly every poor, working and middle-class New Yorker. Hundreds of thousands of us now struggle with homelessness, severe rent burdens and the threat of displacement. Without meaningful reform, hundreds of thousands more will confront these challenges in coming years. And it is not only the survival of individual renters that is at stake, but the very character of our city – its diversity, its vibrancy, its sense of possibility and achievement.

There is still a chance to keep New York our home. State and City officials must enact the following reforms immediately to:

Preserve Rent-Regulated Units

- *Repeal vacancy decontrol* to eliminate the rent threshold that allows owners to decontrol units once they become vacant and hit that rent level (currently \$2000).
- *Prevent unfair rent increases* and tenant harassment by strengthening enforcement of the rent laws and making other reforms at the NYS Division of Housing & Community Renewal (DHCR).

Preserve Mitchell-Lama and Section 8 Developments

- *Extend rent regulations to ALL* Mitchell-Lama and Section 8 buildings and to close the unique or peculiar loophole that undermines rent regulation protection.
- *Declare a moratorium on buyouts* until a comprehensive preservation program is in place.
- *Provide a tenant right of first refusal* to purchase these buildings, at prices set by an appraisal board.

Preserve State and City-Built Public Housing

- *Restore State and City funding* to protect 27,000 units of public housing and to preserve 8400 Section 8 vouchers with an annual State contribution of \$70 million and a City contribution of \$120 million.

Limit Rental Payments for New Yorkers Living With AIDS

- *End the State's discrimination against people living with AIDS by capping rental payments to 30% of a tenant's income.* The State now requires some tenants living with AIDS to pay all but \$330 of income toward rent.