



The New York City Department of Housing Preservation and Development

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MAYOR BLOOMBERG'S AFFORDABLE HOUSING PLAN

Mayor Bloomberg's New Housing Marketplace Plan began on July 1, 2003 and was expanded in February 2006 into a \$7.5 billion plan to create affordable housing for over 500,000 New Yorkers, more than the entire population of Atlanta. It is the largest municipal affordable housing plan in the nation's history. The plan uses innovative approaches to find new land and financing to build affordable housing for New York's future. By April 2007, 56,700 units of affordable housing had been started under the plan, putting the City more than one third of the way to achieving the Mayor's goal of creating and preserving 165,000 affordable housing units in ten years. Since Mayor Bloomberg came to office the City has funded more than 75,250 units of affordable housing, including the 56,700 units started under the New Housing Marketplace Plan.

- The Department of Housing Preservation and Development (HPD) and the Housing Development Corporation (HDC) started construction or preservation of 17,393 units of affordable housing in fiscal year 2006, more than 115% of the target for the year
- HPD and HDC have started construction of 13,391 new affordable units in the past two years, more than double the number of units that were started in the highest two years of new construction under Mayor Koch's housing plan.
- HPD and HDC have preserved nearly 30,000 units of housing so far under the New Housing Marketplace Plan.

NEW RESOURCES AND A NEW HOUSING PIPELINE

From the mid-1980s New York used neglected buildings and vacant land taken in tax-foreclosure to develop affordable housing and turn around neighborhoods plagued by arson and abandonment. As the City's stock of tax-foreclosed properties has declined, HPD has looked for new ways to produce housing for New Yorkers and address the key housing challenge, which is no longer abandonment, but is now affordability. The four key components of the 10-year plan are:

- Finding new land for affordable housing
- Creating incentives to develop housing for new populations
- Harnessing the private market to create affordable housing
- Preserving government-assisted affordable housing

Finding New Land For Affordable Housing

Without a guaranteed supply of land from tax-foreclosure, HPD is looking for new sources of land for affordable housing. Through public and private partnerships, the City is looking to locate new sources of land. For example:

- HPD and HDC have developed a collaboration with the New York City Housing Authority (NYCHA) to create housing on NYCHA owned land, which will result in the production of 6,000 units of affordable housing. In September 2006, University Macombs Apartments, the first project to emerge from the new partnership was completed in the Bronx. It will provide 206 units of affordable housing. Other sites include the West Side of Manhattan and at Markham Gardens on Staten Island and many more.

- From under-utilized manufacturing districts to under-built avenues near transportation, there are opportunities to encourage housing development on private land using rezonings. In 2005, the Bloomberg Administration successfully passed three major rezonings in Hudson Yards, Greenpoint-Williamsburg, and West Chelsea. Through the use of inclusionary zoning 8,500 of the 30,000 new units will be affordable.

Creating Incentives to Develop Housing for New Populations

The challenge of affordability affects households in all five boroughs and across many income groups. Nearly three quarters of the units created under the Mayor's plan will serve low-income families, around a quarter will target moderate- and middle- income families. HPD will also focus on reaching out to income groups it has traditionally had difficulty reaching with existing programs. In 2006 several important developments got underway:

- In October 2006 Mayor Michael R. Bloomberg and the Port Authority announced an agreement to transfer ownership of approximately 24 acres of land in the southern portion of Queens West from the Port Authority to the City of New York for a major, mixed-use, middle-income housing development in Long Island City. Up to 5,000 units of housing primarily designed to be affordable to families earning from \$60,000 to \$145,000 for a family of four or \$40,000 to \$100,000 for a single person, is expected to be developed on the site. Queens West will be the largest affordable housing development in New York City since 1974.
- In July 2006, Mayor Bloomberg, Governor Pataki, and Comptroller William C. Thompson, Jr. announced the final approval for the New York City Housing Trust Fund derived from \$130 million in Battery Park City revenues. The fund will be used to create or preserve 4,300 affordable units over the next three years. The Housing Trust Fund will also provide the first financing for the New York Acquisition Fund, a \$200 million initiative that will serve as catalyst for the construction and preservation of more than 30,000 units of affordable housing Citywide in the next 10 years. The Acquisition Fund has established itself as a model for similar funds in cities and states across the country.
- In 2006 the City and State started implementing the New York/New York III agreement, a \$1 billion pact to finance and develop 9,000 new units of supportive housing in New York City. Supportive housing is subsidized permanent housing with social services. The State and the City will share capital costs during the 10-year agreement. The New York/New York III pact will produce nearly twice the number of units that was generated by the first and second New York/New York agreements combined - 5,300 units - and affirms the City's commitment to building housing for chronically homeless individuals and families, and reducing the shelter and street homeless populations by two-thirds in five years.

Harnessing the Private Market to Create Affordable Housing

The Mayor's plan is finding new ways to catalyze and harness the city's strong real estate market to create affordable housing. Innovative tools are leveraging the expanding role of private capital in affordable housing and adapting tax and zoning incentives to the current market, including:

- In December 2006 the Mayor signed into law changes to the 421-a tax incentive program. The legislation built on recommendations proposed by the 421-a task force, which was established by the Mayor in February 2006. The changes would modernize the tax incentive to better target it towards creating housing for low- and middle-income families and would generate hundreds of millions of dollars for affordable housing. The reforms are designed to create the maximum amount of affordable housing for the city while also ensuring that construction of new housing will continue at a strong pace.
- Inclusionary zoning creates affordable housing by allowing developers to build higher in exchange for making as much as a third of the apartments affordable. The better the market, the more valuable the extra units in the taller buildings become. In June 2006, the Mayor broke ground for Palmer's Dock, a development that will provide 113 affordable housing units. It is the first project to emerge from the new rezoning in Greenpoint-Williamsburg. In 2006 the City introduced a rezoning of Woodside Maspeth – the first inclusionary zoning in Queens.

- In 2006, HDC issued over \$1.7 billion in bonds, making it the nation's largest issuer of multi-family affordable housing bonds in the nation. Over 6,500 apartments were financed through HDC issued bonds in 2006.

Preserving Government-Assisted Affordable Housing

As housing conditions have improved across the city, HPD can now shift from reactive strategies to rebuild neighborhoods to proactive strategies to preserve the city's existing stock of affordable housing. For example:

- In the first three years of the Mayor's housing plan, HDC has rehabilitated and preserved 14,598 units in Mitchell-Lama developments citywide through two new programs, the Mitchell-Lama Mortgage Restructuring Program and the Mitchell-Lama Repair Loan Program, both launched in June 2004. HDC is continuing to work to preserve affordable housing in Section 8 and Section 202 developments as well.
- HDC and NYCHA have issued the first part of a \$600 million bond initiative that will be used exclusively to modernize and rehabilitate NYCHA's housing stock, the largest in the country. This initiative will preserve a significant portion of NYCHA's 180,000 public housing units for the foreseeable future.

IMPROVING HOUSING QUALITY AND PROTECTING TODAY'S RESIDENTS

Preserving our existing housing stock and ensuring tenants live in safe and well-maintained apartments is a vital part of Mayor Bloomberg's Housing Plan. More than 400 housing inspectors enforce the Housing Maintenance Code. HPD works with owners to improve conditions in their building and pursues litigation in housing court if repairs are not made.

- Housing conditions across the city today are the best since the Housing and Vacancy Survey (HVS) began in 1965. The number of housing units in dilapidated buildings and the number of housing units with multiple maintenance deficiencies are at a historic low.
- In July 2005, the Bloomberg Administration and the City Council established the Targeted Cyclical Enforcement Policy (T-CEP) to conduct building-wide inspections in buildings where extensive housing code violations persist. This initiative is a partnership between HPD, the City Council and local not-for-profit organizations, to ensure that all New Yorkers live in safe and decent housing. So far under the T-CEP program, HPD has conducted roof to cellar inspections in 309 buildings and issued 18,684 new violations.
- In fiscal year 2006, over 26,000 individuals enrolled in HPD's housing education programs, the highest number to date. Participants benefit from important classes like Safe Work Practices for Building Owners, Advanced Property Management for Building Owners, Building Finance and Lead Awareness.

Regular updates are available at www.nyc.gov/hpd where you can also sign up for e-mail alerts.

