



**Department of  
Housing Preservation  
& Development**

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, roughly the population of Atlanta. It is the largest municipal affordable housing plan in the nation. The plan uses innovative approaches to find new land and financing to build affordable housing for New York's future. Through March 2009, 85,089 units of affordable housing had been started under the plan, putting the City on track to achieving the Mayor's goal of creating and preserving 165,000 affordable housing units. Since Mayor Bloomberg came to office the City has funded 103,639 units of affordable housing.

- On September 23, 2008, Mayor Bloomberg announced that 82,509 units of affordable housing had been started under the New Housing Marketplace Plan, reaching the plan's half-way point right on schedule.
- The Department of Housing Preservation and Development (HPD) and the Housing Development Corporation (HDC) started construction or preservation of 17,008 units of affordable housing in fiscal year 2008.
- HPD and HDC have started construction of 11,907 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 over 50,000 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 current key housing challenge, which is no longer abandonment, but is now affordability. The four key components of the 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 to public and private partnerships to locate new sources of land for affordable housing. 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. Nearly 1,000 units are completed or under construction and a further 2,000 are in the pre-development stage.

- In September 2007 HPD and NYCHA designated Phipps Houses as the lead developer for the creation of 339 units of affordable housing on NYCHA-owned sites in East Harlem. In November 2007 Galaxy/ELH/Kretchmer was designated as the developer of Stanley Avenue site in Brooklyn to create 144 units. In July and August 2008 five separate developers were designated to create and preserve over 1,000 units of affordable housing in the South Bronx.
- 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 while 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 the past year, 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 at Hunters Point South in Long Island City from the Port Authority to the City of New York. Planned as a major, mixed-use, middle-income housing development, the development will create up to 5,000 units of housing primarily designed to be affordable to families earning from \$55,000 to \$158,000 for a family of four or \$31,000 to \$91,000 for a single person. In November 2008, Hunters Point South completed the Uniform Land Use Review Procedure (ULURP). It 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 over 4,000 affordable units. The Housing Trust Fund will also provide the first financing for the New York Acquisition Fund, a \$240 million initiative that will serve as catalyst for the construction and preservation of more than 30,000 units of affordable housing Citywide over the next 10 years. The Acquisition Fund has established itself as a model for similar funds in cities and states across the country. In September 2008 the Acquisition Fund received Harvard's Innovations in American Government Award.
- The City and State are 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 were generated by the first and second New York/New York agreements combined and affirms the City's commitment to building housing for chronically homeless individuals and families, while at the same time reducing the homeless population 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:

- 2008 saw reforms to the 421-a tax incentive program. The changes build on recommendations proposed by the 421-a task force, which was established by the Mayor in February 2006. The changes have modernized the tax incentive to better target it towards the creation of housing for low- and middle-income families and will 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 more density in exchange for making as much as a third of the apartments affordable. In October 2007, the lottery opened for Palmer's Dock, a development that will provide 113 affordable housing units. It is the first project in the new rezoning in Greenpoint-Williamsburg. In September 2007, a rezoning was approved for Jamaica, Queens. Inclusionary zoning is a key part of the Jamaica rezoning. The rezoning of 125th Street in Harlem has also made use of inclusionary zoning.
- The public review process has begun on yet another expansion of the Inclusionary Zoning program. This proposed expansion would, for the first time, include a permanently affordable homeownership option for low-, moderate- and middle-income households.
- In 2008 HDC issued over \$1.35 billion worth of bonds to finance the construction and preservation of 8,689 apartments for low, moderate and middle income New Yorkers throughout the five boroughs. That made HDC the largest issuer of bonds among all housing finance agencies nationally.

## 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:

- Preservation of existing affordable housing, including Mitchell-Lama buildings, is a key component of Mayor Bloomberg's housing plan. Mayor Bloomberg has created several new regulatory and financial tools to ensure that as many as possible remain affordable. The Mitchell-Lama Mortgage Restructuring and Repair Loan Programs, as well as the 8A Loan Program, provide attractive refinancing terms for building owners and make grants and low-interest loans available for building repairs and upgrades. In return, the owners agree to remain in the Mitchell Lama program, ensuring continued affordability. These programs have kept more than 21,000 apartments from exiting the program. 46,000 Mitchell-Lama units are regulated by New York City. Since 2002, over 13,000 City-regulated Mitchell-Lama units have left the Mitchell-Lama program. However, we have worked hard to protect those tenants from rising rents. In all but one of the buildings that have opted out since 2002, tenants have received some form of rent protection. And in the same period, the City financed over 31,000 newly constructed affordable housing units.
- 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.
- Local Law No. 29 of 2007, passed by the New York City Council and signed into law by Mayor Michael R. Bloomberg, created the Alternative Enforcement Program ("AEP"). This Law went into effect on November 11, 2007. The AEP is an additional enforcement mechanism that provides Enforcement Services with the ability to identify multiple dwellings that are not properly maintained and ensure that violations and the conditions that caused the violations are corrected. Each year 200 different multiple dwellings are selected to participate in the AEP. These 200 buildings are subject to building-wide inspections, fees and extensive repair work to correct violations and related underlying conditions. The AEP addresses the root of serious housing maintenance

problems in buildings with serious physical deterioration and creates an incentive for all multiple dwelling owners to properly maintain their property, timely correct and certify correction of violations, file annual registration statements and pay emergency repair charges.

- In fiscal year 2008, over 24,000 individuals enrolled in HPD's housing education programs. 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](http://www.nyc.gov/hpd) where you can also sign up for e-mail alerts.*

