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Report Finds a City Incentive Is Not Producing Enough Affordable Housing

By MIREYA NAVARRO

For years, New York City has tried to create more affordable housing by encouraging developers to include apartments for low- and middle-income households in return for being allowed to construct bigger buildings.

But a [new report](#) by the office of City Councilman Brad Lander, a Brooklyn Democrat and housing expert, says that that strategy is producing too few affordable units and that the city should require developers to build more of them.

The report, to be released on Friday by Mr. Lander and the [Association for Neighborhood and Housing Development](#), which represents nonprofit groups that promote affordable housing, found that the optional program known as inclusionary zoning had generated about 2,700 permanently affordable units since 2005, or less than 2 percent of all apartments developed in the city during the same period.

Under the program, the city allows developers of market-rate housing to build more units than would normally be allowed when neighborhoods are rezoned for new development, as long as they make 20 percent of the new homes affordable.

Mayor Michael R. Bloomberg and the real estate industry have favored the exchange of more density for affordable set-asides on a voluntary basis. But affordable housing advocates and some mayoral candidates argue that the time has come for mandatory programs to make a dent in the housing shortage for low-income New Yorkers.

Figures released this year by New York University's [Furman Center](#) for Real Estate and Urban Policy show that the median monthly rent in New York City rose by 8.5 percent from 2007 to 2011, even as real wages — wages that have been adjusted for inflation — dropped in the recent recession. As a result, 31 percent of New Yorkers paid 50 percent or more of their income in rent and utilities by 2011 and were considered “severely” rent burdened, according to the center.

“It’s a moment of crisis,” said Mr. Lander, an advocate for low-income housing director of the [Pratt Center for Community Development](#), a policy and plannin



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are desperate for affordability, and there's a mismatch between the anxiety people have and the policy tools that are available.”

Among the front-runners in the mayoral race, Christine C. Quinn, the City Council speaker, said she supported the idea of mandatory set-asides but has said that there may be questions about the legality of such a program. Some lawyers said it could be challenged by developers because the value of the affordable units might be less than their construction cost.

But Bill de Blasio, the city's public advocate, argues in his housing platform for “converting incentives to hard-and-fast rules,” saying that 50,000 additional affordable units could be built over 10 years with a mandatory program.

The report by Mr. Lander's staff, which used city data from 2005 to June of this year, found that most of the affordable units built under inclusionary zoning provisions were on Manhattan's West Side and along the waterfront of the Williamsburg and Greenpoint sections of Brooklyn, where they represented 13 percent to 19 percent of total units built. But in two dozen other areas where the zoning was allowed, the report said, only 6 percent of residential development was deemed affordable, defined as suitable for those with incomes of \$68,700 or less.

Officials with the city's Department of Housing Preservation and Development said that the economic downturn of recent years had affected participation from developers but that interest in the program had been picking up of late. They said that any discussion of making it mandatory would need to address how the requirements might affect development in certain neighborhoods. “Would it be an incentive to develop?” Eric Bederman, a spokesman for the department, said. “We stand by the success we've had with the inclusionary program.”