

## Mayor's Green Speech Asks to Build 500,000 Units

BY MATTHEW SCHUERMAN | 9:01 PM APRIL 24, 2007 | TAGS: REAL ESTATE MICHAEL BLOOMBERG

Michael Bloomberg.

Getty Images

Michael Bloomberg.

Land. Mark Twain said they're not making any more of it, but the Bloomberg administration is going to try anyway.

As part of the 155-page PlaNYC report released on, ahem, *Earth Day*, Mayor Michael Bloomberg is recommending widespread upzoning, erecting platforms over expressways to create new neighborhoods, and turning the city's waterfronts into residential neighborhoods.

The net effect, according to City Hall, would create the potential for another 500,000 housing units, on top of the 400,000 more units that current zoning regulations already allow. Mr. Bloomberg's plan would flood the market with enough supply to house the 900,000 new New Yorkers expected by 2030, and it might also be enough to keep housing prices from jumping further. The supply bump, the report argues, might even spark a price drop.

"There are certainly other factors that impact housing prices. But of them all, land is the lever that the city holds most firmly," the report reads. "By increasing potential housing opportunities, the pressure to find building sites eases—and with it, prices."

Nothing speaks louder about the Bloomberg administration's faith in the free market than does this supply-side 12-step program for increasing housing capacity. Indeed, while other parts of PlaNYC recommend greater government control over public life (imposing an \$8 fee to drive into Manhattan; a \$2 to \$3 surcharge to pay for making power plants cleaner), the housing chapter fails to even mention—much less to discuss an improvement upon—the one thing that has kept housing affordable for three million New Yorkers since World War II: rent regulation.

"I think it is important to do those things recommended in the report," said Brad Lander, director of the Pratt Center for Community Development and a leading expert on affordable housing. "Treading water is a lot better than drowning. But it is not possible to build our way out of our crisis without also protecting rent regulation."

As it is, the five boroughs have about 100,000 fewer housing units than needed, according to a 2006 study by the Furman Center for Real Estate and Urban Policy at New York University. Add on top of that the 340,000 more apartments needed to house the anticipated population surge (at an average household size of 2.6 members).

The Mayor, by contrast, sets a more modest goal of creating 265,000 new units, though his plan outlines the potential for far more. The report suggests increasing permitted building density in transit-rich, if distant, areas like Broadway Junction in East New York; turning city-owned land like parking lots into housing sites (with garages underneath); and promulgating neighborhoods-on-stilts in places such as Sunnyside Yards in Queens and the Brooklyn-Queens Expressway in Cobble Hill, Brooklyn.

But the greater shortage is not of housing in general, but of affordable housing in particular.

The Furman Center found that between 2002 and 2005, the five boroughs lost more than 138,000 units that are affordable to New Yorkers at or below the city's median income level. (An "affordable" apartment is one on which a family spends no more than 30 percent of its gross income.) Over 28 percent of New Yorkers spend more than half of their income on rent.

"When you have a problem like affordability, the government could always do more," said Vicki Been, the director of the Furman Center. "This Mayor has built more affordable housing than any Mayor since Koch, but we have also lost a lot of units that moved from being affordable to market-rate."

To free-marketeters and to landlords, Mr. Bloomberg's retreat from rent regulation—which has been an underlying theme throughout most of his administration—comes as welcome news. Currently, there is a movement afoot, for example, to raise the \$2,000-a-month cap that an apartment's rent must reach as a condition for exiting rent regulation.

"It is a deterrent for building new housing every time somebody says we should reinstate rent regulations," said Steven Spinola, the president of the Real Estate Board of New York, an association of developers and landlords, and a member of the advisory panel that worked on PlaNYC. "I think they have made a practical decision: If we can build more housing, we will have some controls over how high rents will be, because there will be some competitiveness."

The PlaNYC report urges the continuation of current affordable-housing programs, noting that another 92,000 units are expected to be built in the next six years.

But the Mayor's plan doesn't anticipate any more funding to be allocated for affordable housing in the next nine years, aside from \$2.2 million for "co-location" opportunities—such as building an apartment house on top of a parking lot.

Indeed, while Mayor Bloomberg, in the "implementation" part of the plan, promises, by the end of his term, to have opened five bus-rapid-transit routes or to have ended methane emissions from water-treatment plants, his goals for housing are pretty much merely to finish what he set out to do in his 2005 re-election campaign: create the conditions for the 92,000 additional affordable units by 2013.

Which might mean that he is already doing quite a lot—or that he would not be a free-marketeter if he did more.



