

New York City Has the Power to Do Better than de Blasio's Housing Plan

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On Tuesday, March 22, the New York City Council is expected to pass Mayor Bill de Blasio's housing and zoning plan, which permanently ties the creation of a relatively small amount of not-that-affordable housing to the massive co-production of luxury housing.[i] It is being sold as the best we can do with the tools that we have. It is not. Instead, it puts to work the most lucrative and least effective tools available, and locks the city into repeated cycles of gentrification and displacement.



The language surrounding this plan fluctuates between grandiose hyperbole about its capacity to fix New York's perpetual housing crisis and technical twaddle about floor area ratios, area median incomes, and setback requirements. It is an extremely complex set of mechanisms to tweak the private market, which does not even touch the city's real need—housing for households making less than \$40,000 a year—and leaves out roughly 43% of Blacks, Latinos and Asians.[ii]

The plan is so complicated in large part because politicians, policymakers and planners have foreclosed on all of the other, simpler, time-tested mechanisms for creating and preserving low-income housing: building or acquiring more public housing, and expanding rent regulations in the private rental market. Instead, it seeks to further refine the Rube Goldberg machine of zoning in New York City, which sets the legal parameters for the shape of new buildings and the types of uses (residential, industrial, commercial, etc.) allowed in a given location.

Significant expansions in public housing and rent regulation would require changes to federal, city and state laws, as well as substantial new revenue sources. Since the city's fiscal crisis in 1975, New York State laws in particular have hindered the city's ability to strengthen its rent laws and levy new kinds of taxes.[iii] The housing movement in New York is organizing and pushing to change that, but in the meantime many have asked—what could the mayor have done *right now* with the tools already allowed by the city's land use and zoning codes? Under existing laws, how could he have put together a better plan?

Paradoxically, the most important thing an administration could have done before rezoning the city was to halt rezonings. This is not because the status quo is favorable; it is atrocious and needs to be overturned. But every time the mayor says he will rezone a new area, speculation is sparked and displacement ensues. Investors know that rezoning a given area from industrial to residential or from low-rise to high-rise creates immediate value for landowners, since the capacity to earn higher rents has just been bestowed by the state on the monopoly capitalists who control access to that turf.

That is exactly what has been happening these past two years, after the city named 15 neighborhoods it planned to rezone. In East New York, the first neighborhood targeted for rezoning, land prices for lots with four to six-unit buildings jumped by 63% in the two years since the rezoning was announced.[iv] Median rents rose 16% in 2015, bringing them up to \$1,850—what would be considered “affordable” for a household making \$74,000. Meanwhile, median incomes in East New York are just \$33,000.[v]

All of this inflation and its attendant displacement is a result of an *expected* rezoning, the details of which are still being hammered out. Simply announcing the rezoning immediately moved most local rents beyond the reach of neighborhood residents. The purpose of a moratorium on rezonings, therefore, would not be to preserve the legal status quo (which is severely unequal and unworthy of protection), but rather to prevent speculators from driving out existing residents based on visions of zoning-induced payouts.

The next step would have been to establish a citywide anti-demolition and anti-harassment zone. This technique was tried out in Hell’s Kitchen in the 1970s, and, while imperfect and weakened over time, succeeded in slowing gentrification and keeping many tenants in their rent regulated apartments. The concept is simple: no landlord can demolish or gut-renovate their building if they can be shown to have harassed any tenants into leaving. The zoning already exists in one part of the city; it should be extended to cover it all. A version of this law has now been attached to the mayor’s rezoning plan (after his housing department dismissed the idea a few weeks ago[vi]), but it should have been done *well before* the plan and its targeted neighborhoods were announced, not after.

The third step would have been to encourage every neighborhood in the city to create community plans, set guidelines for planning goals (including fully affordable housing for all), and make a commitment to put them into practice. The city currently allows this, and many neighborhood residents have spent years coming to painstaking consensus around the kinds of land use changes they would like to see. The City Charter even mandates funding for technical experts in land use and planning for every Community Board, though this money has yet to materialize.

Unfortunately, these plans are summarily ignored by the City Planning Department, which often does exactly the opposite of what the community plan recommended, as was the case in Williamsburg/Greenpoint and West Harlem. Most recently, a coalition known as the Chinatown Working Group brought over 40 groups together for a 7-year intensive planning process, only to have their plan dismissed as “not feasible at this time” by the City Planning Commissioner.[vii] A truly transformative zoning plan would have started at the scale of community districts and worked its way up to the city.

Next the city should have taken a closer look at the relationship between taxes and development. Currently the city and state give out enormous subsidies to private developers to build luxury housing (through the over-\$1 billion 421-A program[viii]), or transform existing commercial or residential spaces into luxury housing (through the over \$250 million dollar J-51 tax abatement[ix]). The city simply should not provide tax breaks to market rate development. It would take state action to end these programs and devise alternatives (such as speculative property sales taxes or anti-warehousing fees), but the city could have used its discretionary power to drastically reduce the amount of luxury owners that get these generous tax breaks.

Finally, the city should have reconsidered its approach to public land at the same time it was retooling the private land market. The city owns an enormous amount of land, and should use it as leverage towards the creation of truly and permanently affordable housing.

First, public housing developments should be rezoned to prevent speculative development. Public

housing lots are generally zoned for much higher densities than what is built atop them today, and therefore are considered “soft sites” by city planners. Under both former Mayor Bloomberg and Mayor de Blasio, the New York City Housing Authority has proposed placing private housing inside public housing developments as a money-raising scheme. Many see this as a back door for privatization and an encroachment on the residents’ open spaces.

A better approach would be to rezone all public housing as “special planned community preservation districts,” an approach taken by the Chinatown Working Group. This zoning language, currently used to protect private developments like Sunnyside Gardens, could be applied to New York City Housing Authority land and used to ensure that any new development on public housing land would have to match the existing economic mix at these sites.

Next the city could radically rethink its approach to the parcels it owns—from tax-foreclosed homes to fenced-off vacant land. Right now, that land is sold cheaply to private developers, who usually build a mix of below and above-market housing at a rate that fails to satisfy the city’s demand. Worse yet, some of it is sold in tax lien auctions, which often dispossess homeowners at the same time as they enrich developers. Instead, the city should consolidate its vast holdings into a scatter-site community land trust, upon which mutual housing associations and limited equity coops could be formed. This would create a large, new, deeply and permanently affordable stock of housing, as well as room for community gardens and cultural spaces.

None of these are utopian schemes. True, the city’s current political leadership—from the Mayor and his agencies on down to the City Council, and even most of the Community Boards—would reject nearly every piece of this vision because it breaks with the norms of market-based planning. But these ideas are all legal, and within the realm of the practical, if not the imminently probable.

Another city is possible, even with the tools immediately available at our disposal. We just need to build the power to pick them up.

* Samuel Stein is a PhD student in geography at the Graduate Center, City University of New York. His work has appeared in *Jacobin*, *Metropolitica*, *Progressive Planning* and many other magazines and journals.

[i] <https://www.jacobinmag.com/2014/10/de-blasios-doomed-housing-plan/>

[ii] <http://www.nydailynews.com/new-york/housing-plan-leave-non-white-residents-critics-article-1.2552285>

[iii] <https://www.jacobinmag.com/2014/10/if-you-can-make-it-here/>

[iv] <http://citylimits.org/2016/03/10/some-suspect-east-new-york-rezoning-has-triggered-speculation/>

[v] <https://www.dnainfo.com/new-york/20151204/east-new-york/rezoning-east-new-york-would-displace-50000-residents-comptroller-says>

[vi]

<http://www.nydailynews.com/news/politics/de-blasio-opposes-plan-protect-tenants-slumlords-article-1.2540342>

[vii]

<http://citylimits.org/2015/09/15/chinatown-zoning-plan-meets-resistance-in-de-blasio-administration/>

[viii]

<http://www.cssny.org/news/entry/css-report-421-a-costing-city-one-million-per-affordable-apartment-created>

[ix] http://b.3cdn.net/nycss/b3347d0b9b1c3a863d_ffm6ivrrh.pdf