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# Housing for the Next

# Mayor of New York

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# SUMMARY

**QUESTION: BEYOND BUILDING MORE HOUSING, HOW WILL THE NEXT MAYOR OF NEW YORK CITY CREATE A MORE BALANCED, COMPREHENSIVE AND EQUITABLE HOUSING PLAN THAT ADDRESSES THE RANGE OF CHALLENGES THAT HOUSING CREATES?**

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## WHY IMPORTANT:

- 1. *Housing has many challenges in New York City, from homelessness to crumbling public housing, racial segregation, and private market disinvestment.*

## RECOMMENDATIONS:

- 1. *Help renters and homeowners stay in their homes*
- 2. *Address homelessness*
- 3. *Produce and preserve affordable housing across the city*
- 4. *Repair and preserve public housing*
- 5. *Improve privately owned buildings to make them safer and more energy efficient*
- 6. *Expand housing choice*
- 7. *Reform land use regulations and policies*

## CONSTRAINTS:

- 1. *Need land use reform*
- 2. *Requires private investors*



3. *Intractable City policies*
4. *Racial biases around housing*
5. *Exorbitant construction costs*



## INTRODUCTION

The next mayor of New York City will not have an easy job. While there is no way to know where the City's economy will be in January of 2022, it seems likely that COVID-19's shadow will still loom, given the City's heavy reliance on tax revenues from both commercial office space and tourism-related industries. Residential rents remain depressed on average, though the declines in rent seen to date have been largely concentrated at the high-end of the market and are unlikely to moderate the unsustainably high rent burdens that so many of the City's low- and moderate-income renters face. Meanwhile, housing prices continue to climb, far out of reach for most New Yorkers wishing to buy a home. So, the City's market has grown softer at the top end of the market, yet with continued strain in the middle and lower tiers.

Past New York City mayors faced challenging housing markets too, though not quite the same mix of challenges as today. Those mayors deserve a lot of credit for prioritizing affordable housing. But, since Mayor Ed Koch's Ten-Year Plan, the City's housing plans have focused almost exclusively on producing and preserving affordable housing. In the late 1980s, Mayor Koch announced a Ten Year Plan that promised to build or preserve over 252,000 housing units.<sup>1</sup> In 2002, Mayor Michael Bloomberg proposed a 65,000-unit housing plan, which he later expanded to 165,000 units during his 2005 re-election campaign.<sup>2</sup> Bill de Blasio pledged 200,000 units in 2014 and then boosted that goal to 300,000 during his 2017 re-election campaign.<sup>3</sup>

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<sup>1</sup> Jonathan Soffer, "Creating Affordable Housing: How Koch Did It," *Gotham Gazette*, October 18, 2010, <https://www.gothamgazette.com/index.php/housing/624-creating-affordable-housing-how-koch-did-it>.

<sup>2</sup> Gotham Gazette Staff, "Remarks by Mayor Michael R. Bloomberg: Housing Plan for New York City's 21<sup>st</sup> Century Neighborhoods," *Gotham Gazette*, December 10, 2002, <https://www.gothamgazette.com/index.php/government/1481-mayor-michael-r-bloomberg-announces-housing-plan-for-new-york-citys-21st-century-neighborhoods>.

<sup>3</sup> Office of the Mayor of New York City, "Mayor de Blasio to Complete Affordable Housing Plan 2 Years Ahead of Schedule, Accelerate Pace, and Expand Goals," *City of New York*, October 24, 2017, <https://www1.nyc.gov/office-of-the-mayor/news/682-17/mayor-de-blasio-complete-affordable-housing-plan-2-years-ahead-schedule-accelerate-pace-and#/0>.



And, these administrations have for the most part delivered on these ambitious promises.

But the next Mayor of New York should move beyond simply focusing on unit production goals. The next mayor should work to craft a more balanced, comprehensive, and equitable housing plan that addresses the full set of housing challenges faced by the city, ranging from disturbingly high levels of homelessness to deteriorating public housing, high levels of racial segregation, and private market disinvestment.

Specifically, the next mayor should adopt a housing strategy that furthers at least seven key aims:

- Helping renters and homeowners stay in their homes
- Addressing homelessness
- Producing and preserving affordable housing across the city
- Repairing and preserving public housing
- Improving privately owned buildings to make them safer and more energy efficient
- Expanding housing choice
- Reforming land use regulations and policies

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## HELPING RENTERS AND HOMEOWNERS STAY IN THEIR HOMES

Although recent COVID-19 relief bills promise to offer relief to needy tenants, the high share of New Yorkers struggling to pay their rents is concerning.<sup>4</sup> Further, renters behind on payments owe larger amounts than they did prior to the pandemic. Research from the Furman Center on a portfolio of affordable units shows that the renters behind on rent in September 2020 owed 43 percent more on average than the renters behind on rent in September of 2019.<sup>5</sup> And, while the forbearance offered to most homeowners has helped, many homeowners are struggling as well.

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<sup>4</sup> According to the Census Bureau's latest Household Pulse Survey, 23 percent of renters in New York State were behind on their rent at the end of February. "Household Pulse Survey Data Tables," *U.S. Census Bureau*, <https://www.census.gov/programs-surveys/household-pulse-survey/data.html>.

<sup>5</sup> Hayley Raetz, Daniel Waldinger, Katherine O'Regan, "Rent Payments in a Pandemic: Analysis of Affordable Housing in New York," *NYU Furman Center for Real Estate and Urban Policy* (March 2021): [https://furmancenter.org/files/Rent\\_Payments\\_in\\_a\\_Pandemic\\_-\\_Final.pdf](https://furmancenter.org/files/Rent_Payments_in_a_Pandemic_-_Final.pdf)



Of course, even before COVID-19, many New Yorkers experienced financial shocks that threatened their housing stability. The next mayor should work to create more effective emergency rental assistance and foreclosure prevention programs to help people stay in their homes when facing such setbacks. Critically, these programs should provide assistance to households before they receive an eviction or foreclosure notice or find themselves in emergency shelters. Diversion programs have been found to be successful in reducing evictions in other jurisdictions, as have programs to provide legal assistance, so the city should work to expand its pilot efforts in these areas. Outreach and education are critical. The city should partner with community organizations to conduct outreach and to help to connect tenants to services upstream.

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## ADDRESSING HOMELESSNESS

On Thursday March 18<sup>th</sup>, over 51,000 individuals (including 16,500 children) spent the night in one of the city’s emergency shelters, and an unspecified number slept on the streets.<sup>6</sup> While an emergency shelter system is essential for families and individuals facing crises, the city’s shelter system has grown far too large, and too many are sleeping unsafely on the streets, wary of congregate shelters. The next mayor must work to shift money away from expensive emergency shelters and towards permanent housing and to help people experiencing homelessness to find homes more quickly. Reducing the number of people experiencing homelessness will take resources from all levels of government. But it will also take improved management, data sharing, and coordination across agencies and analysis of real-time data that can identify frequent users of city services in order to connect them to services and supportive housing.

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## PRODUCING AND PRESERVING AFFORDABLE HOUSING ACROSS THE CITY

While the next mayor should move beyond a single-minded focus on big production numbers, the city continues to have a shortage of affordable units. If the prices of commercial properties continue to fall, the next mayor should look for opportunities to strategically acquire such properties and convert them to affordable housing. The next mayor should also find ways to modernize building codes and allow for lower

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<sup>6</sup> “Basic Facts About Homelessness: New York City,” *Coalition for the Homeless*, <https://www.coalitionforthehomeless.org/basic-facts-about-homelessness-new-york-city/>.



cost models of housing production, to push for more sustainable production, and to encourage the creation of affordable housing in a wider variety of neighborhoods, including those that are high-income. Finally, the next administration should develop new preservation strategies, now that the Housing Stability and Tenant Protection Act of 2019 sharply limits opportunities for deregulating rent stabilized units.<sup>7</sup>

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## REPAIRING AND PRESERVING PUBLIC HOUSING

The city's 174,000 public housing units house some 400,000 low-income New Yorkers, or about one in every 11 renters in the city.<sup>8</sup> These housing units are a critical part of the city's housing safety net, playing a unique role in providing homes for the city's poorest households. Yet, as of 2020, the stock of public housing faced an estimated \$40 billion backlog of capital repairs.<sup>9</sup> The next mayor needs to come up with a plan to re-invest in public housing, and to put it on sounder physical and financial footing, while protecting resident rights. [NYCHA's Blueprint for Change](#) is a promising start, but it relies critically on concessions from HUD and state approval. Implementing any plan will take effective federal and state advocacy, as well as new strategies for tenant engagement. As of this writing, the Biden Administration's American Jobs Plan calls for Congress to invest \$40 billion in capital repairs in public housing, which would be an enormous help. But there is a long path to passage, and even if such new federal funding comes to NYCHA, there will still need for creative and thoughtful planning in allocating it.

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## IMPROVING BUILDINGS TO MAKE THEM SAFER AND MORE ENERGY EFFICIENT

While the quality of the city's homes has improved markedly in the past few decades, the city's buildings are old and consume far more energy than more recently constructed homes. Moreover, state and city laws now call for aggressive reductions

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<sup>7</sup> "Senate Bill S6458: Housing Stability and Tenant Protection Act of 2019," *New York State Senate*, June 11, 2019, <https://www.nysenate.gov/legislation/bills/2019/s6458>.

<sup>8</sup> "NYCHA's Outsized Role in Housing New York's Poorest Households," *NYU Furman Center for Real Estate and Urban Policy* (December 2018): [https://furmancenter.org/files/NYCHA\\_Brief\\_12-17-18\\_Final.pdf](https://furmancenter.org/files/NYCHA_Brief_12-17-18_Final.pdf).

<sup>9</sup> Nolan Hicks, "NYCHA chief eyes new private partnerships as repair bills hit \$40B," *New York Post*, January 14, 2020, <https://nypost.com/2020/01/14/nycha-chief-eyes-new-private-partnerships-as-repair-bills-hit-40b/>.



in carbon emissions and identify multifamily housing as a major contributor to emissions. Yet, repairs and energy retrofits are expensive, especially for small owners. The next mayor should consider new forms of technical and financial assistance to small landlords to help them reduce energy use, scale back emissions, and keep their properties safe. To help enforce quality standards, the next mayor should also work to modernize the city's code enforcement system to make it more proactive and efficient, using predictive analytics. The city could also use insights from behavioral economics to remind and encourage landlords to undertake needed repairs.

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## EXPANDING HOUSING CHOICES

While New Yorkers celebrate the city's rich diversity, too many residents still face barriers in both renting and buying homes. The city is now the fourth most racially segregated in the country, and only 27 percent and 17 percent of Black and Hispanic New Yorkers respectively own their homes.<sup>10</sup> The next mayor should take on these disparities through such strategies as expanding fair housing protections; enforcing the laws that already exist; improving the housing voucher program, and coupling it with mobility counseling to help families move to a broader set of neighborhood; upzoning resource-rich neighborhoods; and making it easier for low- and moderate-income New Yorkers of all races to afford homes in resource-rich neighborhoods through down payment assistance and security deposit guarantees.

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## REFORMING LAND USE REGULATIONS AND POLICIES

It's hard to find a champion for the city's current suite of land use regulations. Critics charge that they are outdated, are designed to serve last century's problems, make new construction more difficult, and exacerbate both economic and racial segregation. The next mayor should rethink these regulations and work with the city council on ways to modernize them. The next mayor should consider such changes as streamlining the Uniform Land Use Review Procedure (ULURP) process for fully affordable developments; reducing parking requirements in transit-rich areas;

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<sup>10</sup> "Snapshot of Homeownership in New York City," *NYU Furman Center for Real Estate and Urban Policy*, December 17, 2019, <https://furmancenter.org/thestoop/entry/snapshot-of-homeownership-in-new-york-city>.



facilitating conversions of commercial properties to residential uses; liberalizing rules limiting accessory dwelling units; and upzoning higher-income neighborhoods.

Tackling all these challenges won't be easy, especially as the city emerges from the COVID-19 crisis. But the city has a proud history of innovating in the area of affordable housing, and this is not the time to stop.

