

IFHP

IFHP Ones

New York housing Lab

New York – June 2015

International
Federation for
Housing and
Planning

Index

Lab location

Centre For Social Innovation, NYC

IFHP

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IFHP Ones are longer than articles, but shorter than books. They can be read in one day – this is why we call them Ones

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WCS Mayors Forum



IFHP Ones



**”Can we develop ethically?
What is the relation
between inequality and
housing development
and what are the
instruments to respond
to these challenges?”**

Giulia Maci, IFHP Project Manager, IFHP NYC Lab

IFHP NYC Lab Focus:

- Understanding the scale and challenges of NYC Housing Crisis.
- Challenging the provisions proposed within Bill De Blasio’s Housing New York, A Five Borough, Ten Year Plan
- Discussing alternative housing methods: what are the alternatives to provide adequate affordable housing?

NYC facts

- The NYC population is expected to increase from 8.2 million in 2010 to over 9 million in 2040, a 9.5% increase over 30 years. Source: NYC Department of City Planning
- Median salary for new graduates in New York is \$33,000, well below the \$121,000 needed to pay the city’s median rent in 2014. Source: Citylab

IFHP NYC Lab Key Conclusions:

- There are alternatives to help create affordable housing – the first is to retain existing public housing and maintain it to an acceptable standard. Retaining public land and housing not only provides affordable housing units but through the avoidance of private speculation helps prohibit local gentrification processes which can lead to higher housing costs.
- Rent caps are a viable option to explore to help keep private rents down. Examples from abroad are useful in assessing whether this instrument would be appropriate in the New York context.
- Democratically controlled land trusts are relevant housing models that include communities in the development of affordable housing. Such non-profit land trusts act as communication platforms to local communities, strengthening participation and ownership.
- Alternative design solutions should be explored with an aim to improve housing standard whilst lowering construction and maintenance costs.
- A discussion surrounding the redistribution of city resources needs to be initiated, fundamentally challenging the current system of housing provision.

“To my fellow New Yorkers: We have a crisis of affordability on our hands.”

Bill De Blasio, NYC Housing 2014



IFHP New York LAB, June 2015

This report is the result of the IFHP NYC LAB conducted at the Centre for Social Innovation. The Lab explored the challenges and politics surrounding affordable housing, learning from the radical initiatives that New Yorkers themselves have facilitated.

The global housing and habitat challenge is a core issue for IFHP, and is the focus of a collection of concrete investigations and actions by IFHP, taking place in different regions of the world, giving a voice to emerging local issues, testing innovative solutions and approaches, and promoting best practices to be shared globally. Under the umbrella of housing and habitat, the theme of affordable housing is constantly relevant throughout global discourse; a complex and contentious challenge facing cities the world over. IFHP NYC LAB tackled the challenges particular to New York a diverse metropolis of over 8.5 million inhabitants.

IFHP NYC LAB

Progressive Ideas to Tackle Housing Affordability

Affordable housing is a complex and contentious challenge facing cities the world over. Public authorities continue their struggle to alleviate the effects of a global housing crisis that has contributed to mounting urban inequalities and the social exclusion of many low and middle-income citizens from city boroughs.

Complex global housing market dynamics, direct foreign investment portfolios, increasing private development incentives, poor or absent national housing strategies and the stagnation of general income levels are just some of the factors attributing to the increasing disparity between housing development and the habitation needs of the majority of urban dwellers. Affordable housing is one solution to help bridge this disparity, an unfortunate necessity for the continued prosperity of cities and the urban fabric upon which they function. Such factors manifest themselves within political spheres as preferences, supported under the illusion of growth that lead to land use policy decisions that often impose huge costs on housing, society and relative affordability for the majority of 'regular' urban citizens.

In New York, IFHP conducted a small lab in conjunction with the Danish Architecture Centre aimed at gathering knowledge on progressive ways to tackle housing affordability in a city that is facing one of the worst housing crises of the last decades.

A city for whom?

Today New York is facing a critical shortage of affordable housing. Rents continue to increase, wages have stagnated, and the share of renters paying a

high percentage of their income toward rent has risen. Between 2000 and 2012, New York City lost 400,000 units where rent was less than \$1,000 per month, according to a report released by the New York City Comptroller earlier this year. In a city where almost 70 percent of residents are renters, one-third of tenants pay more than half their income in rent! Between 2000 and 2012, rents rose much faster than wages — 75 percent rent increases compared to 31 percent wage increases across the period. It is clear that as the trend continues more and more New Yorkers are in need of affordable housing.

Simultaneously, high-end developers driven by increasing demand are investing huge sums to rush land for new luxurious developments, in turn bringing upward land prices for all neighbouring areas. Today, nearly 50 luxury buildings all over the city have apartments selling for more than \$10 million — and with some selling for upwards of \$90 million. These elements seem to indicate that the city is in the middle of a luxury housing bubble.

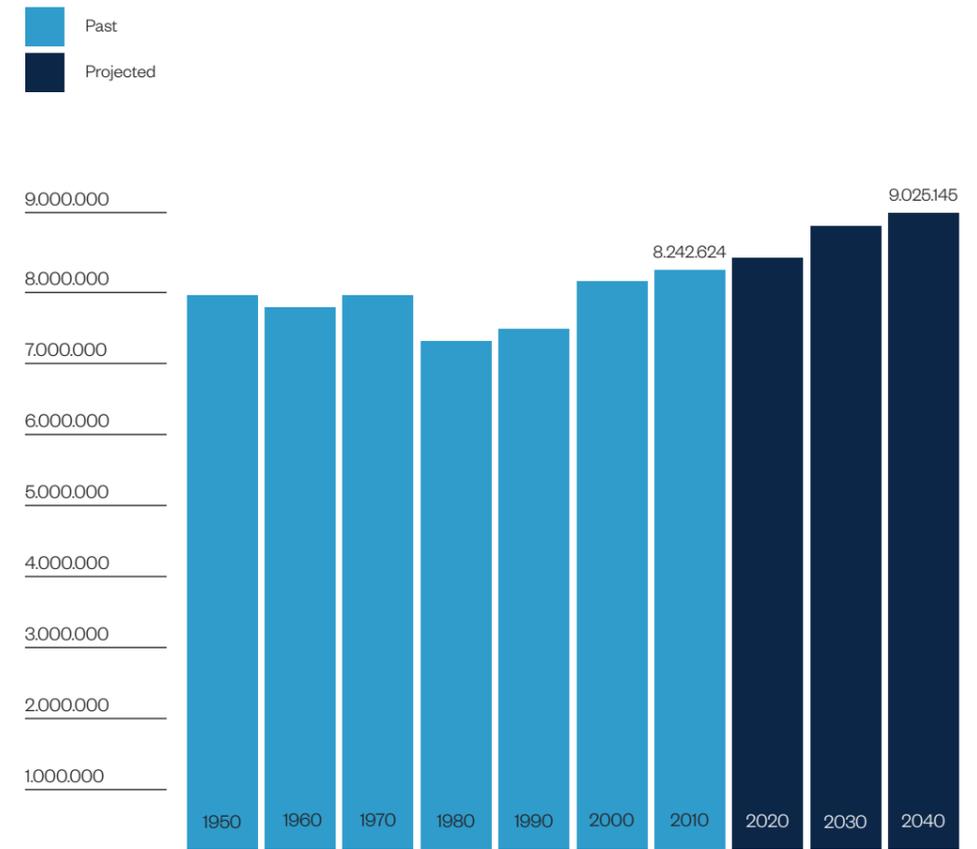
Another reason behind growing costs is the underutilization of vast tracts of land around New York City that are owned by the City. While the cost of new buildings is a major factor behind New York's affordable housing crisis, the bigger problem may lie underneath the buildings. There is little, if any, land available in the private sector at prices low enough to permit the creation of affordable housing. On the other hand, the un-used government-owned land could be devoted for building affordable housing, ensuring transport and social services are planned accordingly.





New York City Population: Past, Present, and Future

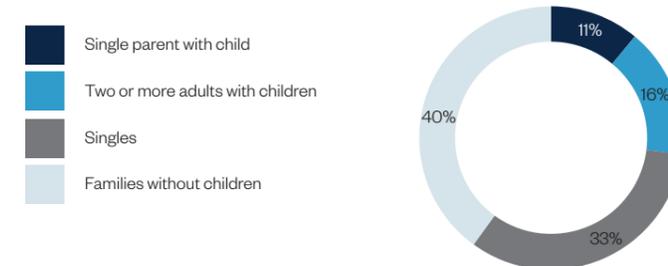
The Department of City Planning projects that New York City's population will grow from 8.2 million in 2010 and is expected to exceed nine million in 2040, which amounts to a 9.5 percent increase over 30 years.



Data Source: New York City, Department of City Planning, Population Division & NYC Gov. Housing Plan: nyc.gov/housing

New York City's Households

New York City households are diverse. 33 percent are singles and 27 percent are households with children



Data Source: American Community Survey 1-Year Estimates (U.S. Census), 2012 & NYC Gov. Housing Plan: nyc.gov/housing

De Blasio's housing plan

On May 5, 2014, at the site of a construction project in Fort Greene, Brooklyn, New York City's progressive new mayor Bill de Blasio sketched the outlines for his housing plan: 80,000 new low-cost homes, 120,000 more homes preserved. It would put Robert Moses and Michael Bloomberg to shame, dispatching construction cranes to the city's every nook and cranny in the pursuit of affordable housing.

"This plan," de Blasio proclaimed, "will create opportunity for so many people who are currently being priced out of our city. It will create affordability in the midst of what has been the greatest affordability crisis this city has ever experienced."

De Blasio's solution relies mostly on one tool: inclusionary zoning. Hundreds of US municipalities have adopted this approach including Boston, Washington DC, Denver, San Diego, and San Francisco. The details vary from case to case, but the idea is for private developers to incorporate some percentage of below marketrate units into their new developments. These units can be rented or sold, as long as they are targeted towards people with low to moderate incomes.

Since 1988, the city administration has allocated "zoning bonuses" – permission to build bigger and denser – to developers to entice them to voluntarily build units for the middle class and poor. This approach hasn't actually produced much low-cost housing.

A big difference is given by the "mandatory" nature of the new De Blasio's program (as opposed to the previous voluntary "bonus" system), but it will not be universal. Only neighborhoods that are selected for bigger buildings and higher densities will see inclusionary development.

The new plan, by embracing inclusionary zoning, aims de facto to reduce inequalities without fundamentally challenging the dynamics between developers and communities, landlords and tenants, or housing and the market. The 10 year 5 borough housing plan proposed by Mayor De Blasio is a sign, that the shortage of affordable housing has reached a crisis point. Things must change - the plan says. But are the solutions proposed good enough? This set the ground for a lively discussion that incorporated all the different aspects of the people present and involved in New York social housing sector.



Speakers



Jeff Shumaker

Jeff Shumaker is currently the Chief Urban Designer for the NYC Department of City Planning (DOP). He holds dual Master's Degrees in Architecture, Planning and Urban Design from MIT. Over the last seven years, Jeff has worked to ensure a high level of design quality on projects across NYC and has helped shape plans for several neighborhoods. He plays a key role in the adAPT NYC micro-unit pilot initiative, and previous collaborations with NYCHA.



Jesse Keenan

Jesse Keenan is the Research Director for the Center for Urban Real Estate (CURE), Adjunct Professor of Real Estate Development at the Graduate School of Architecture, Planning and Preservation, and is affiliated faculty for Extreme Weather and Climate at Columbia University. Jesse's work bridges the art and science of the built environment including contributions to exhibitions at the Museum of Modern Art, New York, Hong Kong Biennale and MAK (Austrian Museum of Applied Arts / Contemporary Art).



Rob Robinson

Rob Robinson is in the Leadership Committee of the Take Back the Land movement, a volunteer at the National Economic and Social Rights Initiative and a member of Picture the Homeless, a group that is organizing homeless and formerly homeless people around civil rights and access to housing. As a former homeless himself, Rob is dedicated to his work with e.g. homeless person populations in Budapest, Hungary and Berlin, Germany and is connected with housing movements in South Africa and Brazil.



Miguel Robles-Durán

Miguel Robles-Durán is an urbanist, a faculty member at The New School in New York and cofounder of "Cohabitation Strategies" (CohStra); an international non-profit cooperative for architecture, urbanism and socio-spatial development based in New York and Rotterdam. The cooperative's action research endeavors to facilitate transformative and progressive urban intervention projects.

Keypoints

On the 8th of June 2015 at the Centre for Social Innovation in New York a crowd of local and international experts gathered to discuss the NYC new housing plan and possible innovative approaches to be included in the future housing strategy of New York.

Giulia Maci, urban planner and IFHP project manager asks the invited experts: “can we develop ethically? What is the relation between inequality and housing development and what are the instruments (finance, design, land management) to respond to these challenges?”

Miguel Robles-Durán highlighted that we see a continuous growing housing crisis and no long term solutions being suggested by the government; the affordable housing is being promised, but is simply not being built. **Robles-Durán** stated that this is a common pattern worldwide. We are being told that cities do not have investments for permanent solutions, but there has never been as much investment in the world as today. **Robles-Durán** stated that sharing spaces initiatives and smaller solutions are worthwhile in a local sense, but there is a need for a more fundamental discussion about the redistribution of the resources, cities have.

Robles-Durán pointed out that programs such as the Inclusionary Housing Program attempt to solve the housing crises by requiring a portion of each new construction be dedicated to affordable housing. But the proposed solutions aren't enough,

nor permanent. Cohabitation Strategies (CohStra) therefore suggest a progressive strategy called 'Cooperative Housing Trusts' founded in the desire for social, spatial and environmental justice – in short, the right to the city.

Jeff Shumaker explained the critical need for affordable housing and presented some of the government's aggressive initiatives. As New York City continues to grow and evolve, the housing stock must do the same. New Yorkers can be better served by adapting the city's apartment models to allow more efficient and sustainable homes. There are 1.8 million one- and two-person households (more than 60 percent of New York City households) and only one million studios and one-bedrooms to meet this housing demand. **Shumaker** mentioned different aspects in making affordable housing, amongst which the social aspect of encouraging variation should not be forgotten to help ensure an avoidance of ghetto creation.

In July 2012, the New York City Department of Housing Preservation and Development (HPD) launched 'adAPT NYC', a pilot program to develop a new model of housing to adapt to the City's changing demographics. HPD invited developers to submit proposals for the design, construction, and operation of a micro-unit building in Kips Bay, Manhattan. A micro-unit is an innovative apartment model, which includes a kitchen and bathroom, but is smaller than what is permitted under current regulations.





“There is a need for a more fundamental discussion about the redistribution of the resources, that cities have.”

Miguel Robles-Duran

According to the 2010 Census, the growth rates of the one- and two-person household populations exceed the growth rate of households with three or more people. AdAPT NYC seeks to create additional choice within New York City’s housing market and the pilot program has attracted global interest.

Jesse Keenan stated that there is a growing disconnect between housing, design and planning, and with few NGO’s or ethical foundations present to help fix it. **Keenan** sees an opportunity to work more with the inclusion of ethics in real estate. **Keenan** then highlighted two main challenges, hindering the production of affordable housing:

The first is the need to align capital cycles (taxes, value capture, subsidies, debt financing, coop fees, etc.) with physical cycles. This is because preservation is one of the leading challenges. We tend to focus on production without thinking about how we sustain the life of what we are producing. This failure has defined the failure of the American public housing system, in particular.

The second is the need to overcome social and psychological biases concerning: (a) the segregation of people by age, race, class and religion; and, (b) the production of higher densities in one’s own environment (i.e., status quo bias or NIMBYism).

These are often interrelated phenomena and these biases may be latent and unrecognized.

Rob Robinson reacted to these challenges by stating that there is a need for political will in NYC to address the housing crisis, because at present, the city is run primarily by developers. **Robinson’s** concerns are directed at the situation of the homeless society, drawn from the 10 month project ‘Picture the Homeless’ where Robinson lived in a NYC shelter, later co-founding the ‘Take Back The Land’ national movement. The Take Back the Land Movement directly challenges those which allow banks to reap record profits whilst increasing numbers of families face eviction and homelessness. Challenging unjust laws requires a protracted direct action campaign of civil disobedience designed to prioritize people over profits in a tangible way.

Robinson stated that there needs to be made a clearer vision for tackling homelessness in NYC. He would like the politicians to work with the resources on the ground, posing the question, “could there be a more creative way to redirect these resources”?

Above all, **Robinson** highlighted city planning in NYC as being non-transparent and very exclusive of citizens. This resistance needs to be broken down, to create room for more participatory democracy so that the people affected are more involved in process and decision making aspects of housing development.

Lab Conclusions There is an alternative

A compilation of the conclusions from the LAB

There are different ways to create affordable housing. The simplest, most direct, and cheapest approach that a city can take is to build or acquire public housing, and actually maintain it well. Public housing not only provides affordable homes, but takes land off the speculative market, contrasting the gentrification processes.

Rent controls are the most effective strategy for keeping private housing prices down. For example, Berlin has recently introduced a cap on what landlords can charge new tenants. Landlords in the German capital are now prohibited from raising rent prices by more than 10 per cent higher than the average for that area. This approach could be discussed also in New York.

Democratically controlled community land trusts are another possibility to provide affordable housing when government is reluctant to either finance public housing or expand rent regulations. The model has

many variations, but in most cases a community land trust is a nonprofit corporation that develops and manages affordable housing on behalf of a community.

Alternative design solutions could also contribute to reduce the cost of construction maintenance, technologies that help empower residents and connect them to outside resources.

Suitable processes and mechanisms are out there to help solve the housing crisis but the political will is currently not driving for sufficient change. City planning is not very transparent. There is some resistance going on and we therefore need more participatory democracy; the people affected must be involved. Space sharing initiatives and smaller solutions are good, but there is a need for a more fundamental and critical discussion about the redistribution of resources that cities have. This question must be addressed before fundamental solutions can be realised.





From left: Giulia Maci, IFHP, Jeff Shumaker, NYC Department of City Planning, Jesse Keenan, Center for Urban Real Estate at Columbia University, Rob Robinson, Take Back the Land movement, Miguel Robles-Durán, CohStra.

Towards research on innovative approaches to tackle affordable housing in Europe

This work has given us all the opportunity to rethink how affordable housing can be better supported, based upon the insights gained from the Mayors, the decision makers and the hands-on innovators perspectives. By listening to all the different perspectives and co-work on how to solve growing urban challenges, we are a step closer in finding the solutions that help create cities for all.

The results of the work in New York will enrich the IFHP's ongoing research on the dimension and the size of urban segregation in relation to housing affordability and integration policies. Through this research IFHP is comparing particular local solutions and responses in different cities that can be transferred to other contexts.

Nordic Lab 24th of September

The Nordic Housing Lab explores spatial segregation and housing policies in the Nordic countries. Key experts are invited to join the conversation and exchange knowledge and learnings from the five Nordic countries.

>> Read more at ifhp.org/event/ifhp-nordic-housing-lab

Berlin Lab 11th of November

The Berlin Lab will assess Berlin's contemporary housing challenges; discuss how and why co-housing communities can be supported through ideas, structures and financing, and question the role of public and private housing corporations to ensure Berlin's affordable housing future.

>> Read more at ifhp.org/event/berlin-lab-good-bad-and-market

The aim of all the activities is to collect inputs and learning experiences and formulate a further step in the understanding and active contribution to the urban phenomena. This will be formulated at the IFHP Summit at the end of 2015 (in Berlin).

>> Read more at ifhp.org/event/ifhp-summit-2015-0

IFHP at World Cities Summit Mayors Forum 2015 in New York



WCS Mayors Forum

The IFHP Housing Lab in NYC was conducted as a side event to World City Summit Mayors Forum [WCS MF], which took place 8th – 10th June 2015. The WCS is a recurring event, with the 2015 WCS MF taking place in NYC, hosted by Mayor Bill de Blasio and the City of New York. The WCS MF 2015 placed particular focus on 'Housing & Economic Development' and 'Sustainability and Resiliency'. The WCS MF gathered more than 60 mayors plus various other stakeholders from around the world, where IFHP was represented at the WCS MF round-table by IFHP President Flemming Borreskov and IFHP COO Regitze Marianne Hess. Furthermore IFHP was represented at WCS Young Leaders Symposium via DAC.

To learn more about WCS MF:
www.worldcitysummit.com.sg

IFHP Labs are laboratories, workshops or round tables. They act as an incubator, sharing and producing experiences and contents on very specific, local and practical issues related to the main topic of the year. Labs are tailor-made according to specific conditions and requests. Using the knowledge of IFHP members and working groups, the labs apply a collaborative, interdisciplinary approach that involves all stakeholders in providing new planning perspectives and ideas to stimulate existing expertise, interests and creativity. Labs reflect the communities' inputs and the particular conditions that exist in each city, revealing new insights and solutions and promoting partnerships that lead to "balanced" decision-making.



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