

# De Blasio Administration's Math Doesn't Add Up on Affordable Housing

For years we have been hearing the current administration tout major accomplishments on the affordable housing front. However, the proof can be determined using math, and it appears the math just doesn't add up.

Everyone in New York City agrees that we have an affordable housing problem. Housing for low-income (as well as middle-income) individuals and families is extraordinarily difficult to find. Low income units are typically rented using lottery systems for which there are dozens, or hundreds, of applicants for every unit.

Equally important is the need for workforce housing, the constituency of which are the people that make the city run. These are the police officers, fire fighters, teachers, bakers, restaurant workers and the hundreds of other types of workers that provide essential services to people who live and work in our city.

The administration continually states that they are greatly exceeding their goals for delivering these sorely needed units to

the market. In a meeting I had with representatives of the administration, I directly asked if they had an itemized list of all of the affordable units they claimed to have delivered. I was told they did, but after several attempts to obtain the list, I haven't received anything. And I think I know why.



Robert Knakal

Apparently, the administration counts units created or "preserved" in their totals. Newly created units are easy to track using building permits and construction data. However, preserved units are much more difficult to calculate. My suspicion is that the city includes in preserved units, any rent-regulated units in buildings where

the department of Housing Preservation and Development provides financing. This is a stretch for many reasons, including the fact that there are dozens of private-sector lenders that can also provide financing for these properties. What difference does it make who provides the financing? Additionally, inclusion of all rent-regulated units in the category of "affordable" reinforces the biggest myth about rent

regulation, and that is that the units are indeed affordable. Because there is no form of means testing for the overwhelming majority of rent-regulated units, assuming they are "affordable" is simply a guess.

The reason we are not able to create the necessary quantity of affordable units is because of the nature of the land market in the city. Developers are able to sell condominiums in almost every location today. Because developers can pay much more for land on which to build condominiums than can be paid to build rentals, rental developers can simply not compete with condominium developers. Therefore, land on which to build rentals is unaffordable in the overwhelming majority of locations within the city. The new version of the 421a program is certainly helpful but still not nearly enough to address the huge difference in land values that stifles rental construction.

I proposed two solutions to meet the affordable housing needs within the city. The first is that the state must waive the 12 floor area ratio cap on residential zoning. Through the acquisition of air rights, many residential buildings are built to higher densities than 12 and being able

to increase residential FARs will allow for the second solution. That second solution is to bifurcate buildable FARs, giving rental sites twice the FAR that condo sites have. If a developer pledges to build a rental building, they would receive the additional density. Along with that pledge would come a deed restriction prohibiting the conversion of those rental units for 99 years, or in perpetuity. The don't-block-out-the-sun lobby would oppose this, but with common-sense higher-density districts, mainly around transportation hubs city-wide, and simultaneous down-zonings of area far from mass transit, a balance could be found to appease most city residents.

We need affordable housing, and we need it now if population growth estimates for New York City are anywhere close to being accurate. This solution would go a long way toward achieving this goal. It would also create the ability to accurately count the additions of affordable housing units to the stock without having to use hocus-pocus math.

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*Robert Knakal is the chairman of New York investment sales for Cushman & Wakefield.*