

## GROWTH STRATEGIES

# Affordable Housing

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Lack of affordable housing is a major factor, if not the major factor, deterring companies from relocating and/or expanding in the New York region. (See McCall Report <http://nysosc3.osc.state.ny.us/osdc/rpt800/rpt800.htm>). The following describes the conclusion of the New York State Comptroller's report, *No Room for Growth*, and how the lack of affordable housing will limit future growth of New York City and the New York City region:

“Our survey revealed a striking sensitivity on the part of the region's business community to housing factors, especially as they relate to the availability of labor. Respondents noted that while the retention and expansion of existing firms may be difficult yet possible under some circumstances, the current housing situation severely limits New York City's ability to expand its economic base by attracting new and relocating industries and firms. Eighty-six percent of those surveyed stated that the supply and cost of housing impairs New York City's ability to attract firms established elsewhere, and 78.6 percent reported that housing problems stunt the development of new firms in the area. The survey also found that housing costs and housing availability make New York City less attractive than other areas in the region, and other regions in the country. Our findings raise serious concerns about the ability of New York City--and by extension, New York State--to realize long term economic growth given the existing housing situation. “

The Citizens Housing and Planning Council estimates that the city is short over 225,000 housing units even for its existing population and that approximately 15 percent of the city's rental housing is in substandard maintenance condition. The organization notes that New York's housing inventory is older than of any other major American city and argues that its growing obsolescence diminishes the region's attractiveness to economically strategic segments of the labor force. (<http://chpcny.org/>)

In the next few years public funding for affordable housing will be limited due to the fiscal situation of the City and State. Moreover, the Federal Government has not expanded its housing assistance programs and Washington is unlikely to supply significant additional aid in the near future. However there are a number of creative ideas that have been proposed that would use additional revenue sources more effectively and use relatively small increases in funding to help the situation. The New York Housing Conference proposals (on NYNV web site) has drafted state legislation that would increase funding for affordable housing. The Citizens Housing and Planning Council has issued proposals for stimulating both State- and City-aided housing creation utilizing only existing revenue streams and incentive programs. Housing First! (<http://www.housingfirst.net/>) has also put forth a series of proposal and initiatives on the City level. It is a more ambitious and costly program, but has many ideas worth pursuing both for the short and longer terms.

Numerous regulatory changes could encourage housing production e.g. AIA's proposed Building Code changes to stimulate low-rise high-density housing without compromising safety (on NYNV's web site). This proposal would allow for a slightly higher density infill housing which would make more sites viable for development and allow for a development of a density more in keeping with many existing neighborhoods in the City. Other changes to the Building Code and Zoning Resolution should be considered. None of these changes on their own will solve the problem, but each will help.

Lack of affordable housing significantly limits future growth in the City. Even during the next few years, when we face severe economic constraints, there are a number of opportunities: legislative, financial and regulatory that can be taken to begin to address these issues.