

EXECUTIVE SUMMARY

Closing the Door: Accelerating Losses of New York City Subsidized Housing

New York City's supply of subsidized, privately-owned rental housing is shrinking at faster rate than ever before, exposing low-income New Yorkers to the risk of greater rent burdens, displacement, and homelessness. Accelerating losses outweigh the preservation and production efforts projected in Mayor Bloomberg's New Housing Marketplace Plan for 2004–2013. Government at all levels must respond with stronger policy measures to preserve these costly-to-replace housing resources.

Of the city's 121,000 rental apartments in the major subsidy programs (largely Mitchell-Lama and project-based Section 8), nearly a quarter (23 percent) were lost from 1990 to 2005. Mitchell-Lama rentals have been hit hardest, losing over a third (34 percent) of its stock—22,688 units. Among those financed by the city or state of New York without federal funds, more than half (53 percent) have been converted to market rents. An additional 16,000 subsidized units are under current threats, due to pending subsidy

terminations or owner mismanagement or neglect. The rate of loss has accelerated sharply in the late 1990s, with a record 5,500 apartments lost in 2005 alone. (See figure and table)

Most of this loss is occurring as landlords exercise their option to remove buildings from subsidy programs, usually after 20 years, to take advantage of the city's soaring rental market. A significant portion is also being lost due to owner mismanagement and the consequent enforcement actions taken by the federal Department of Housing and Urban Development.

The tenants living in this threatened housing stock are primarily households unable to afford adequate housing in the unassisted rental market. Federally subsidized non-Mitchell-Lama households have a median income comparable to that for public housing (\$12,800). Mitchell-Lama households have higher incomes (\$26,000), but over a quarter (26 percent) are poor.

LOSSES OF AFFORDABLE HOUSING BY CATEGORY

	Units in 1990	Units in 2005	Lost	Threatened
Mitchell-Lama				
With federal subsidy	43,020	33,087	9,933 (23%)	4,631 (11%)
Without federal subsidy	23,930	11,175	12,755 (53%)	4,669 (20%)
Total Mitchell-Lama	66,950	44,262	22,688 (34%)	9,300 (14%)
Not Mitchell-Lama				
Project-based Section 8	52,502	47,112	5,390 (10%)	6,457 (12%)
Other federal subsidy	1,465	1,121	344 (24%)	0
Total not Mitchell-Lama	53,967	48,233	5,734 (11%)	6,457 (12%)
TOTAL	120,917	92,495	28,422 (23%)	15,757 (13%)

Source: Data compiled by the Community Service Society from records of the U.S. Department of Housing and Urban Development, New York State Division of Housing and Community Renewal, New York City Department of Housing Preservation and Development, and Office of the Comptroller of the City of New York. Estimates of threatened stock are based on information from Mitchell-Lama Residents Coalition and New York State Tenants & Neighbors Coalition.

RECOMMENDATIONS

Government can respond to this crisis by adopting policy measures to preserve housing resources. The report recommends:

- **Preserving and expanding the federal “Mark Up to Market” program** that provides an incentive for preservation by increasing subsidy levels in high-rent areas.
- **Developing a joint New York City-HUD program** to rescue federally subsidized properties in physical or financial distress.
- **Legislating, at the state level, new preservation incentives and tenant protections** for Mitchell-Lama.
- **Implementing the city’s Tenant Empowerment Act**, which enables tenants or their chosen development partners to purchase and preserve subsidized apartment buildings at risk of being de-subsidized.

LOSSES OF AFFORDABLE HOUSING BY YEAR

