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### **De Blasio's timid housing plan**

By Greg David

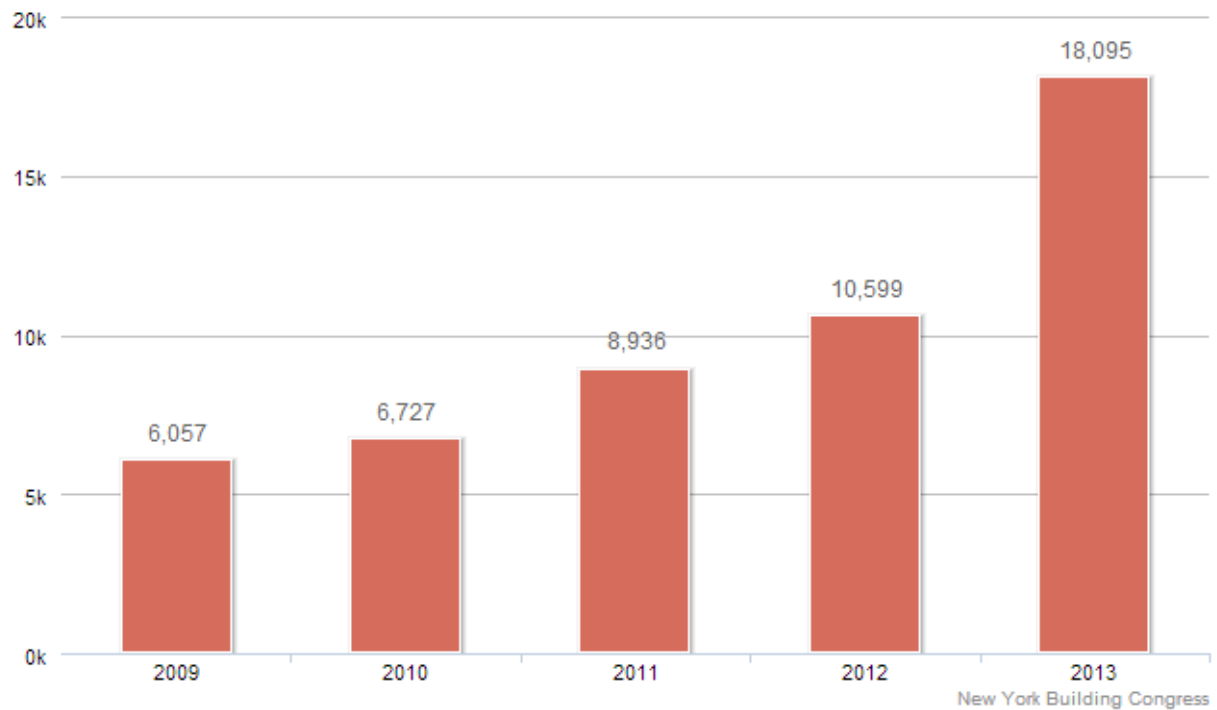
The mayor says the housing plan he announced this week is the most ambitious ever undertaken by an American city. That statement is true if you add the word "affordable." Otherwise, the word unambitious might apply.

The best way to improve the availability of housing in New York and to keep much of it affordable is simply to build a lot of it. The de Blasio plan's headline number of 200,000 is a bit misleading. It intends to "preserve" 120,000 units. The rest is new construction and even the de Blasio administration admits that isn't sufficient, saying in the official report—Housing New York—that private developers "will add 100,000 new market-rate units" in addition to the 80,000 new affordable units.

But here's the way the numbers work.

New York City contains about 3.4 million housing units. The pace of new units is picking up but not fast enough. Just over 18,000 permits were issued last year, a gain of 71% but still well below the recent peak of 34,000 in 2008. (The amount spent has increased much more than that because so many of the units are those super-luxury apartments for the .01% and Russian oligarchs).

Number of permits issued for new construction of residential units



In all, the de Blasio plan's 180,000 new apartments would increase the housing stock in the city by 5% over a decade or virtually the same pace as in the Bloomberg era. That's why Stephen J. Smith headlined a piece on the issue on the very interesting new website NextCity "A New Affordable Housing Plan Puts de Blasio just to the left of Bloomberg."

Fundamentally and philosophically, the de Blasio affordable-housing plan differs from the Bloomberg approach in the same way so many other policies do. Mr. Bloomberg believed the market would solve problems with some incentives from the city. Mr. de Blasio distrusts the market and believes it has failed to produce the kind of housing New York needs.

In the end, he promises some more affordable units, but not enough to change the dynamics of the market.

My next post will look at the plan's promise of reforms to cut costs—and the long history of similar pledges.