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<http://www.globest.com/sites/johnjordan/2017/08/02/despite-obstacles-city-rises-to-challenge-to-meet-affordable-housing-goals/?channel=sectors§ion=new-york-globest-market>

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Research

Despite Obstacles, City Rises To Challenge To Meet Affordable Housing Goals

From January 2014 through June 2017 New York City produced a total of 25,342 new affordable housing units across the five boroughs. That represents approximately 32% of the mayor's construction target.



Source: NYC Department of Housing Preservation and Development

BY [JOHN JORDAN](#)

NEW YORK CITY—Community opposition and an extended period where a key incentive was no longer in place for investors did not dampen residential development enough to derail Mayor Bill de Blasio's goal of staying on track with his promise to create 80,000 affordable housing units by 2024.

The New York Building Congress released a report today that New York City is roughly on pace to meet the mayor's 10-year target for the construction of affordable housing units. The Housing New York Plan released in 2014 calls for the creation or preservation of 200,000 units of affordable housing over a 10-year period, with 40% of that total being new construction. Of the 77,651 affordable units financed to date, 33% are comprised of new construction starts while the remaining two-thirds represent existing units where the city has preserved and/or extended their affordability, the Building Congress report states.

“Shortly after taking office, Mayor de Blasio laid out an ambitious affordable housing agenda and promised to provide the resources necessary to get there,” says New York Building Congress president and CEO Carlo A. Scissura. “Despite a number of obstacles, including the temporary expiration of the 421a tax incentive program and the resistance he has faced in enacting portions of his rezoning plan, he and his team have really risen to the challenge thus far.”

The report backs up the [city’s announcement last month](#) that in the city’s Fiscal Year (ended June 30, 2017) the city had secured a total of 24,293 (preserved or built) affordable apartments and homes during that period, which was the highest such production level since 1989.

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Approximately 39% of new affordable construction starts occurred in the Bronx over the entire three-and-a-half-year period since the launch of the housing initiative, followed by Brooklyn with 29% and Manhattan with 19%. Queens accounted for approximately 11% of the total new affordable construction starts, while Staten Island registered 2% of the construction starts in the city.

From January through March of this year, affordable housing accounted for 21% of all units authorized for construction across the five boroughs, according to the New York Building Congress report. During that period, 87% of the newly constructed affordable units were reserved for low-income households earning 80% or less of the area median income. Approximately 16% of the affordable units constructed are reserved for households with extremely low incomes (0-30% of AMI), while 11% are earmarked for households with very low incomes (31-50% of AMI), the report notes.

New York Building Congress’ Scissura notes the positive data belies the fact that the city’s lack of affordable housing remains one of its most pressing issues. “It is incumbent upon all members of the design, construction and real estate industry to continue working with the mayor’s office to keep construction going by making a forceful case for the mayor’s neighborhood strategic rezoning initiatives and individual residential projects that promise to deliver significant numbers of new affordable housing,” he says.