East Harlem Affordable Housing Under Threat
Strategies for Preserving Rent-Regulated Units
August 2012

Prepared by Regional Plan Association for Manhattan Community Board 11
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About RPA

Regional Plan Association is America’s oldest and most distinguished independent urban research and advocacy organization. RPA works to improve the economic competitiveness, infrastructure, sustainability and quality of life of the New York-New Jersey-Connecticut metropolitan region. A cornerstone of our work is the development of long-range plans and policies to guide the growth of the region. Through our America 2050 program, RPA also provides leadership in the Northeast and across the U.S. on a broad range of transportation and economic-development issues. RPA enjoys broad support from the business, philanthropic, civic and planning communities. For more information, please visit www.rpa.org

Executive Summary

Across New York City, the availability of affordable housing is in jeopardy. Even with the ambitious efforts of the administration of Mayor Michael Bloomberg to preserve or create thousands of affordable housing units, rent protections for much of the existing stock will expire in the coming decades. Nowhere is this challenge more apparent than in Manhattan’s East Harlem neighborhood, where most residents live in some form of rent-regulated housing.

Regional Plan Association has a longstanding interest in enhancing the economic health of East Harlem, from its work in the late 1990s to help the community plan for the eventual building of the Second Avenue subway to its recent efforts with Community Board 11 to develop neighborhood housing strategies. East Harlem has been the home for successive generations of newcomers to New York City for more than a century. Italians, African-Americans and Puerto Ricans settled there before and after World War II and many still make their home there. More recent immigrants from the Dominican Republic, Mexico and other countries in Latin America, the Caribbean and Africa make East Harlem one of the most diverse neighborhoods in New York City.

Affordable housing has always been central to East Harlem’s identity and success. It has one of the highest concentrations of public housing in the city, and a long waiting list of families who want to live in one of the many complexes owned by the New York City Housing Authority. Other rent-regulated housing makes up much of the remainder of its housing stock. Due to the
expiration of government subsidies, many of East Harlem’s residents are at risk of being priced out of their homes and neighborhood.

This report provides greatly needed information and policy strategies for the East Harlem community to preserve its stock of rent-regulated affordable housing. It represents a collaborative neighborhood revitalization effort between Regional Plan Association and Community Board 11 seeking to preserve and strengthen the community. This is the second report in a series that aims to advance policy strategies to preserve rent-regulated housing in the community through a broad-based coalition of influential local stakeholders. It can provide a model for other neighborhoods facing a similar loss of affordable housing.

By creating baseline data on the number and locations of rent-regulated housing, this report seeks to enable East Harlem residents to slow down the conversion of rent-regulated housing into market-rate units by providing the community with viable strategies to persuade decision makers to implement policies, zoning and other changes.

Based on data collected from three sources, RPA estimates that there are approximately 40,500 rent-regulated housing units, as follows: 14,700 public housing units, 9,900 rent-stabilized units and 15,900 other rent-regulated units. Rent protections will expire in nearly one-third of the regulated housing units by 2040. Based on previous research and continued policy development, the preservation strategies that would be most appropriate for East Harlem’s different types of housing are as follows:

- **Public housing**: Promote residents’ stewardship and continued participation in development plans and initiatives. While no rent protections are scheduled to expire for these units, maintaining and upgrading the quality of public housing is an important component of an overall preservation strategy.
- **Rent-stabilized housing**: Coordinate with other advocacy efforts to maintain supply of rent-stabilized housing and provide safety nets for tenant relocation, to make sure tenants continue to live in the community and have legal and financial resources to find new housing. Some deregulation of stabilized housing is inevitable under current New York State law, but the impact can be mitigated to insure that tenants have sufficient legal protection and assistance.
- **Other-regulated housing**: Work with building owners to promote continued participation in preservation programs or plan for tenant relocations. This calls for a concerted community effort to address potential deregulation by working directly with owners to keep these units regulated and affordable.
- **Community Land Trusts**: A longer-term strategy to preserve affordable housing is the creation of Community Land Trusts. CLTs typically are nonprofit corporations through which residents of a community gain and maintain control of real estate to protect long-term, sustained affordability. CLTs use a land lease, usually with a 99-year term, to establish affordability and to maintain it even through the transference of property.

Many East Harlem residents are at risk of being priced out of their neighborhood.
Unregulated or market-rate housing has increased at a very fast pace over the last two decades, while the number of regulated units remained steady. This is leading to a greater diversity of housing stock and household incomes. However, with no net increase in the amount of rent-regulated units, there is greater pressure to preserve the affordable housing that currently exists. With subsidy restrictions phasing out throughout the city, there is a question whether low- and moderate-income households in East Harlem will be priced out not only from their existing community but from other neighborhoods as well. In this context there has been an increase in the share of stabilized units as some public housing units have been taken off the market and new stabilized units have entered it.

RPA collected data from three sources and estimated there are approximately 40,500 rent-regulated housing units.

- **Public Housing**: 14,700 Units
  - Source: New York City Housing Authority
- **Rent Stabilized**: 9,900 Units
  - Source: Rent Guidelines Board
- **Other**: 15,900 Units
  - Source: NYU Furman Center SHIP Database

**Total**: 40,500 Units

Expiration status for 92% of units was identified. By knowing when the units will lose rent-regulated status, we can identify where and when preservation efforts should be targeted.

**Public Housing**
- **36% (14,700 units)**

**Rent Stabilized**
- **28% (9,900 units)**

*Some rent-stabilized properties are under other regulations that expire. Units on those properties are classified in expiration groups.*
To maintain an adequate supply of rent-regulated housing in East Harlem, RPA recommends the following approaches, based on type of housing:

**Public housing**

- Promote residents’ stewardship and continued participation in development plans and initiatives.

  Although the 14,700 public-housing units in East Harlem don’t expire, promoting tenant participation in housing stewardship is essential to strengthening the community. Residents in these buildings would benefit from a strong network that can provide long-lasting social and economic links that act as support for current and future tenants.

  - About a third of all the identified rent-regulated apartments are in public-housing projects. Most are larger developments of more than 100 units below 115th Street or along the East River.

**Stabilized housing**

- Coordinate with other advocacy efforts to maintain supply of rent-regulated housing and provide safety nets for tenant relocation, to make sure tenants continue to live in the community and have legal and financial resources to find new housing.

  - Most rent-stabilized units are in small buildings scattered throughout the neighborhood. Riverton Square, located between 135th and 138th streets along the East River, has more than 900 units.

**Other-regulated housing**

- Work with building owners to promote continued participation in preservation programs or plan for tenant relocations.

  - 2,600 units are going to expire before 2020, most of them north of 120th Street along Lexington Avenue or near 124th Street between 2nd and 3rd avenues. About 36% of units use Project-Based Section 8/Section 236 programs combined for their subsidy.

  - 5,200 units will expire between 2020 and 2030. Large developments at 1199 Plaza (1,600 units), Villa Hermosa Apartments and Lakeview Apartments (combined 700 units) and 175 East 96th Street (500 units) will expire in this decade in addition to a significant number of small buildings across East Harlem. About 53% of units are in two programs: J-51 Tax exemption/LIHTC 9%, and Project-Based Section 8/Section 223 (f)/ J-51 Tax Exemption/ Mitchell-Lama/ Other HDC Mortgage.

  - 4,500 units expiring between 2030-2040. Large projects along 106th Street, 97th Street, or along 1st Ave between 99th and 105th streets. 36% of units use the Article 8A Loan Program Mitchell-Lama/ Other HDC Mortgage programs combined.

  - Only a few projects with 200 units in total will expire after 2040. 44% of them are in Section 202/811/ Project Rental Assistance Contract programs.
Expanding Rent-Regulated Housing Units, 2010–2020
East Harlem 2011

Expanding Rent-Regulated Housing Units, 2020–2030
East Harlem 2011

Expires 2010 - 2020

Expires 2020 - 2030

6.5%
2,600 units

13%
5,200 units
Expiring Rent-Regulated Housing Units, 2030–2040
East Harlem 2011

Expires 2030 - 2040

11%
4,500 units

Expiring Rent-Regulated Housing Units, 2040 and beyond
East Harlem 2011

Expires 2040 and beyond

0.5%
200 units
Community Land Trusts: A Long-Term Preservation Strategy

A longer-term strategy to preserve affordable housing is to create Community Land Trusts. CLTs typically are nonprofit corporations through which residents of a community gain and maintain control of real estate to protect long-term, sustained affordability. CLTs use a land lease, usually with a 99-year term, to establish affordability and to maintain it even through the transference of property. The CLT acquires the land.

The CLT extends a long-term lease that contractually obligates the lessee to maintaining affordability through ownership and transference. CLT’s best practices include:

- providing a variety of tenure options to residents (ownership, rental, cooperative) to be more equitable;
- pursuing financial alliances with government and engaging government early in the planning process;
- adopting a nonprofit structure to best facilitate a diverse mix of funding sources and roles;
- determining whether the CLT acts as the developer or hires an external developer based on capacity and expertise.

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