



Making East New York Affordable Again

The City is currently considering a rezoning of East New York with the goal of increasing new affordable housing and improving services to the neighborhood's residents.

While East New York continues to be home to many of the city's poorest households, rents in the neighborhood have been rising rapidly like those all over Brooklyn. The result is a neighborhood where families of little means are paying more and more of their paychecks and fixed incomes towards rent.

Many DC 37 members are hardworking people who call East New York home, and they are affected by this phenomenon. This analysis examines the extent to which much of the current housing in East New York is already outstripping families' ability to pay for it, and how new affordable housing built by the City of New York will create more opportunities for low-income families to stay in East New York.

DC 37's research shows:

- The average two-bedroom apartment rents for \$1,400 in East New York today.
- Current rents are not affordable to most working people in East New York. Approximately 40 percent of East New Yorkers are currently 'severely rent burdened' — paying more than half their income on rent.
- Over 80 percent of the affordable housing the City has committed to build will have rents below \$1,200 per month for a two-bedroom apartment. And 40 percent of new affordable housing will be priced at less than \$1,000 per month for a two-bedroom home. These rents are more affordable to East New Yorkers than the status quo.

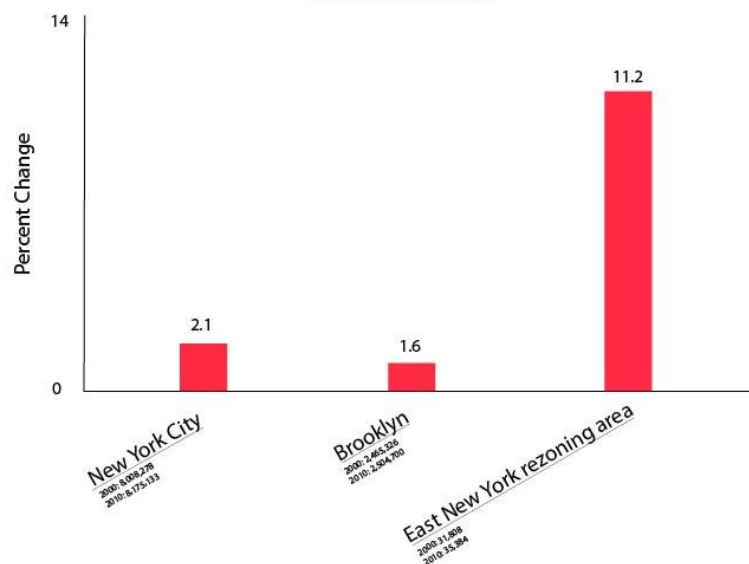
Our analysis found that new affordable apartments financed by the City will be MORE affordable than newly rented apartments in East New York today. Combined with aggressive preservation of existing affordable housing in the neighborhood and strong anti-harassment measures, this program represents an effective strategy to make East New York more affordable.

Population Growth in East New York

Between 2000 and 2010, East New York's population increased by 11 percent – faster than Brooklyn and the city as a whole, which only grew by about 2 percent.¹ In addition to newcomers, existing residents are staying in the neighborhood to raise their families and seniors are staying in the neighborhood and aging in place. These are positive trends, indicating East New York is growing stronger as a community—but that growth coupled with Brooklyn's surging housing market is putting more and more pressure on rents.

¹ East New York Rezoning FEIS 2016, page 3-27

Population Growth between 2000-2010



What Working People Need

DC 37 represents thousands of families working their way into the middle class, like those who live in East New York today. To name a few, we represent custodial staff, school food employees, and the majority of clerical employees for the City of New York. These are people of modest means, and precisely those New Yorkers in need of affordable housing.

Average salary for an Office Aide: \$30,644²

- Affordable rent (30% of annual salary): \$766/month

Average starting salary for a Custodial Assistant: \$33,363

- Affordable rent (30% of annual salary): \$834/month

Average starting salary for a Patient Care Associate: \$39,934

- Affordable rent (30% of annual salary): \$998/month

Rents Are Rising Fast in East New York

Rents in East New York have been rising sharply for more than a decade.

Between 2000 and 2013, median home values in East New York increased by more than 100 percent.³ Median rents increased by approximately 26 percent in East New York over that same period, compared to 16 percent in all of Brooklyn.⁴ As a result, apartments in East New York are

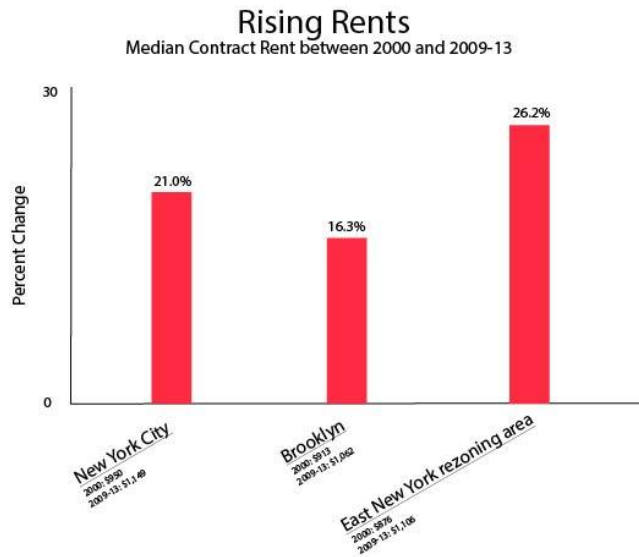
² Salary Data: SP100 Book, March 2016 and 9/13/15 2.5% Pay Orders

³ East New York Rezoning FEIS 2016, page 3-32.

⁴ *Ibid.*

becoming less and less affordable for the people who live there today, and for many low-income New Yorkers.

In fact, almost 40 percent of households in East New York⁵ are severely rent burdened today—spending more than half of their income on rent. That exceeds the citywide average of 29 percent. This is a broken status quo that must be addressed.



Snapshot of Newly Rented Apartments in East New York Today

According to local real estate brokers, one-bedroom apartments in East New York currently rent for approximately \$1,100 per month, two-bedrooms rent for \$1,400, and three-bedrooms rent for \$1,700.⁶

To afford housing at those costs, residents would need to earn between \$44,000 and \$68,000 per year—well above the median household income of just \$34,689⁷ per year for residents of East New York today.

Rents are poised to rise even more. About 55 percent of apartments in East New York have no regulatory protections,⁸ and as the market across Brooklyn continues to rise, these apartments are likely to see annual rent increases, with no legal limits, at each lease renewal.

Without urgent action, this situation will only worsen and East New York will cease to be affordable for more and more working families.

⁵ East New York Rezoning FEIS 2016, page 3-33.

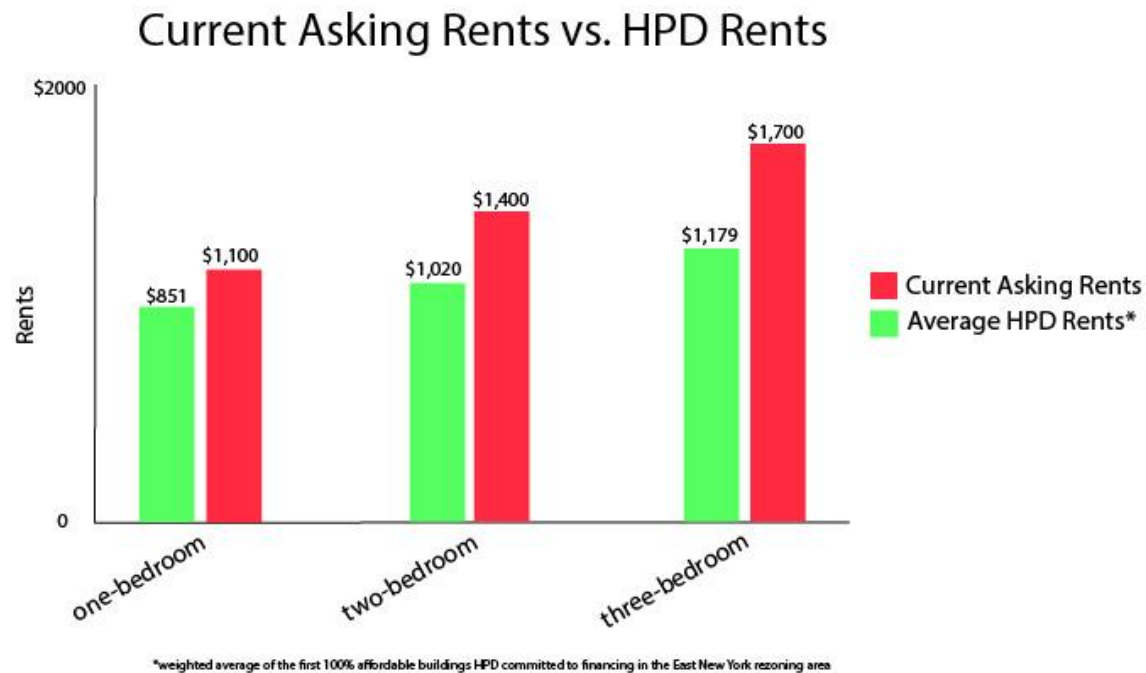
⁶ East New York Rezoning FEIS 2016, page 3-35.

⁷ East New York Rezoning FEIS 2016, page 3-42

⁸ HPD Research and Evaluation 2014.

Apartments under City's Rezoning Will Make East New York MORE Affordable

As part of its strategy in East New York, the City has committed that at least half of all newly constructed apartments will be affordable, through a mix of Mandatory Inclusionary Housing and direct City subsidy. The first 1,200 affordable apartments will begin construction over the next two years, with deep levels of affordability. These rents will be LOWER than those of newly rented apartments in East New York today.



The City has committed that at least 80 percent of affordable apartments will target families earning no more than \$47,000 (60 percent of AMI for a three-person household), and 25 percent will be for families making less than \$31,000 (40 percent of AMI for a three-person household). There will be a 50 percent community preference for new affordable housing to protect current residents from displacement.

Sample rents for two-bedroom apartments for a family of 3 that are financed by HPD in East New York are shown below⁹:

- 10% of units < 30% AMI, up to \$583/month
- 15% of units between 31% and 40% AMI, up to \$777/month
- 15% of units between 41% and 50% AMI, up to \$971/month
- 40 to 60% of units between 51% and 60% AMI, up to \$1,165/month
- Up to 20% of units between 60% and 90% AMI, up to \$1,748/month

⁹ HPD & NYC Planning: Housing Affordability in the East New York Community Plan, January 2016

In addition, for new development on public land, the City will require even deeper levels of affordability, with 10 percent more units targeting households earning \$23,000 to \$31,000, or 30 to 40 percent of AMI.