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**The City of New York**  
**Community Board 8 Manhattan**  
**Housing Committee**  
*Wednesday, November 29th, 2023 – 6:30PM*  
*Conducted Remotely on Zoom*

**Minutes**

The meeting was called to order at approximately 6:30 PM by co-chairs Edward Hartzog and Rebecca Lamorte.

**CB8 Members Present:** Elizabeth Ashby, Gayle Baron, Saundra Coleman\*, Edward Hartzog\*, Sahar Husain, Rebecca Lamorte\*, John McClement, Rita Popper\*

**Members of the Public:** Alicia Boyd (MTOPP), Lorraine Brown, Boaz Galil, Nancy Hoving, Arlene Kayatt, Ishrat Laka, Kathleen Steed, M. Wang

**Unexcused Absences:** Anthony Cohn\*

\*Housing Committee member

**Item 1: A discussion about Area Median Income (AMI).**

The Housing Committee invited Alicia Boyd, the Executive Director of the Movement to Protect the People (MTOPP), as a speaker to lead the discussion about Area Median Income (AMI), its effects on affordable housing in New York City and what can be done to improve it.

It should be noted that Ms. Boyd joined the meeting from Thailand (i.e., 12 hours ahead at 6:30 a.m. Thursday) and the Committee would like to thank her again for making the time in her schedule.

For context, Ms. Boyd and MTOPP are located in Brooklyn – bordering eastern Prospect Park, Crown Heights, and Flatbush. Her community went through an upzoning and about 95% of the buildings in her neighborhood are 3 to 4 stories tall with no height limits, except along the Botanic Gardens.

She has led fights with her community on private and citywide re-zonings. Her experience with the Department of City Planning is that they end up doing what they propose initially, with minor adjustments.

While Ms. Boyd was invited to discuss AMI, she asked to also speak about some of the proposed text amendments in the “City of Yes” – especially as they will be coming before community boards for review. In particular, she was concerned that we – the Housing Committee and collectively, the Community Board – might be missing something in the Business Text Amendments that will impact affordable housing in our community district.

In the meantime, the discussion returned to AMI, where Ms. Boyd identified one issue regarding income bands and AMI – specifically, they are constantly changing. That is, what a community board or developer may approve at the beginning of the project will be completely different at the end. She noted that income levels in some bands had increased as much as \$50,000 over the course of ten years. Another issue with AMI

was the definition from the Department of Housing and Urban Development (HUD) in Washington, D.C. The AMI for NYC, according to HUD, includes Westchester, Rockland and Putnam counties, along with the five boroughs.

With respect to the definition of AMI and its use in developments of “affordable housing,” Ms. Boyd noted that “local” AMI – versus that defined by HUD – would be better with respect to communities that are displaced by new development, local AMI in her community is between \$45,000 and \$70,000. She said that developers were not required to use HUD’s AMI necessarily, but that it was in their economic interest to do so. Her former boss on Capitol Hill – Congresswoman Yvette Clarke – had led an effort to allow local definitions of AMI but they were unsuccessful.

There has been a lot of displacement in her part of Brooklyn as a result of recent development. The displacement occurs because the new “affordable” housing is in AMI income bands that are higher than the neighborhoods where it is built. She said that about 5% of the new development had affordable units for the local community.

A loophole in the 421-a law exists that does not require developers to fill the apartments they build. That is, while they are given financial incentives to build apartments – they are not penalized when those affordable units are not utilized. They have no incentive to move them necessarily because the financial incentives have all been given to “build” the units.

The result is that market rate units are filled, and affordable units are left vacant. For historical perspective, Ms. Boyd noted that 421-a was created in the ‘70’s to incentivize development for specific communities. Housing advocates would argue that developers no longer need 421-a to be incentivized to build.

Ms. Boyd noted that MIH also had an affordable housing component to it and that the developers were able to “game” the AMI income bands to their advantage. They were not required to use local AMI and defaulted to the higher HUD definitions. She said that even though DCP may say they will use local AMI, they always tend to revert to HUD AMI definitions because the income bands are higher. As a result, she said that Brooklyn is no longer in favor of any kind of 421-a development.

At this point the chairs opened the meeting up for comments and questions.

Rita Popper inquired as to how we can change these dynamics. In short, Ms. Boyd said that the Community Board should vote No on the City of Yes, to send a message to the Mayor. This is her advice to all community boards in New York City who have not yet considered the recent proposals.

In response to the question of what is affordable housing in New York City, Ms. Boyd posited that it was an ingenious phrase that automatically makes people think they can afford it. She stated that, “it was a scam.” It is meant to mislead people that we are creating housing for the average person when the average person cannot afford it. She said we need to look to local AMI and census tracts to rectify this problem. She posited that there are 350,000 warehoused apartments in the City and of those, 100,000 are rent stabilized. She noted that the business text amendments to the City of Yes would adversely affect affordable housing in Community District 8 because it will allow businesses to occupy more floors in buildings within C1 and C2 districts. This will mean more businesses in residential buildings and more less rent-stabilized apartments on the second floors of those buildings.

Saundra Coleman asked about action items to address the warehousing of apartments. Ms. Boyd suggested legislation at the city and/or state level to dis-incentivize developers and owners – noting that it has been done in other countries and cities.

Continuing on this issue – Sahar Husain asked for clarification on cause and effect and how to address it. As to that, it was noted that 90% of rent-stabilized apartments are controlled by large corporations and 10% to smaller owners and landlords. Ms. Boyd suggested that the current crisis is created by the large corporations holding portions of their rent-stabilized units off-line.

The 421-a tax incentive that helped build the rent-stabilized units do not require those units to be filled. Ms. Boyd suggested that some of these warehoused units may be used for other purposes – perhaps AirBnB (a recent court ruling should bear this out one way or the other).

Nevertheless, the 80% of the units that are market rate are filled, the revenue from the inflated rent (caused by self-created reduced supply) covers the lack of revenue from the 20% of the units that are “affordable.” The AMI income bands are set high enough so as to displace the local community where the new housing is built and the parameters for new rentals are so onerous (i.e., credit scores of 800+ to qualify) as to exclude certain socioeconomic groups.

Ms. Boyd suggested that the 100,000 or so affordable units that are being warehoused are part of a plan to pave the way for the City of Yes. To wit, by creating a “housing crisis” (i.e., supply crisis) the City of Yes seeks to change zoning and land use rules to facilitate more building. Her suggestion is to beware of the proposed changes being put forth, especially as to land use.

This segued into a preview of the upcoming meeting on December 4, when Assembly Member Alex Bores will join the committee to discuss the upcoming legislative agenda in Albany and issues surrounding vacancy de-control, repair expenditures for small landlords and apartment warehousing.

### **Item 2: Old Business**

No items of Old Business were discussed.

### **Item 3: New Business**

No items of New Business were discussed.

The meeting adjourned at approximately 8:30 PM.

*Edward Hartzog and Rebecca Lamorte, Co-Chairs*