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As city navigates uncertain budget, Mamdani admin hashes out housing agenda behind the scene

By Kathryn Brenzel

Flanked on each side by his new housing and tenant czars, Mayor Zohran Mamdani took his first housing-related actions as mayor.

He signed several executive orders on his first day in office, including one that revived the Mayor's Office to Protect Tenants and installed longtime tenant advocate Cea Weaver as its leader. Two others created task forces to find city-owned land to build housing and speed up permitting for housing projects, overseen by Deputy Mayor of Housing and Planning Leila Bozorg. She was a critical figure in last year's changes to the city charter that deflated the City Council's veto power over new housing.

"These are sweeping measures, but it is just the beginning of a comprehensive effort to champion the cause of tenants too long ignored and homes too expensive," Mamdani said at the time.

That moment encapsulates the administration's public approach to housing so far: a dual track that embraces building as much housing as possible while also ramping up enforcement against bad behaving landlords.

The mayor's deputies have repeatedly referred to this strategy as an "all-of-the-above approach."

Architect Ariel Aufgang said the city should speed up the land use review process for more projects than what is covered by the housing ballot measures that passed in November. He also thinks lawmakers should be more mindful about passing bills that add more red tape.

"There's so many consultants, there's so many agencies, this is why we aren't building. It's the soft costs. Let's let business do business. The wheels have to be allowed to roll."

--Ariel Aufgang, AIA, Principal Aufgang Architects

How this translates to actual policy remains to be seen, however. The mayor is expected to release his housing plan this month, the timing of which has been dictated by city and state budget negotiations.

The plan will need to contend with tensions confronted by previous administrations: How to balance new construction with preservation of existing housing. Resources are limited, and the administration also needs to figure out where the city's public housing stock fits within these priorities. It will also be doing so in a particularly difficult budget environment as the city works to close a multi-billion-dollar deficit.

“In the affordable housing world, everything is a trade off,” said Moses Gates, vice president for housing and neighborhood planning at the Regional Plan Association. “It will be interesting to see what in the housing plan is above the fold, is prioritized.”

While the administration has kept details of the plan under wraps, some priorities point to the kinds of policies that are likely to emerge in the next few weeks.

What we know

In broad strokes, the Mamdani administration has made clear that it is focused on identifying pain points in the housing approval process and overhauling housing code enforcement.

On the first, in a video where she literally cuts through a tangle of red tape, Bozorg committed to slashing the pre-certification period — the lead up to the city’s land use review process — to six months or less. The promise was contingent on state lawmakers approving reforms to New York’s State Environmental Quality Review Act, or SEQRA, to exempt certain housing projects from environmental review. The state appears poised to hold up its end of the bargain as part of the budget, though that is still being finalized.

The “Streamlining Procedures to Expedite Equitable Development Task Force,” created by one of the three housing executive orders signed by the mayor on his first day, is preparing a separate report outlining potential other ways for the city to accelerate housing approvals.

On the issue of code enforcement, the city hosted five rental ripoff hearings designed for tenants to report on deteriorating building conditions, “unconscionable business practices” and non-rent-related fees. The administration has homed in on the third, and is expected to release a report by early July summarizing the hearings and suggesting policy changes.

These reports will likely inform the broader housing plan.

The rental ripoff hearings drew criticism for focusing on tenants with private landlords rather than those living in New York City Public Housing Authority buildings. The administration’s housing plan, however, is expected to include NYCHA, whereas some previous administrations decided to keep their affordable housing and public housing agendas separate.

City Hall additionally has signaled that it wants to intervene in the foreclosure of more rent stabilized buildings, as it tried to do in January with buildings formerly owned by Pinnacle Group.

Officials have released a few specific proposals around development and leasing up apartments. The mayor announced that the Department of Housing Preservation and Development would create a list of vetted affordable housing developers who could more quickly bid and win the opportunity to build on city-owned land.

HPD Commissioner Dina Levy has promised to revamp the city’s housing lottery system, which connects prospective tenants to income-restricted apartments. That could include replacing the Housing Connect portal entirely.

The housing plan will also almost certainly try to capitalize on the city charter revisions approved by voters in November. That could include maximizing the amount of housing that can be built in the 12 community districts that have produced the least amount of affordable housing. Once identified, rezonings that result in affordable housing in those districts can skip City Council review.

Those districts will be selected in October, and the city could target neighborhood rezonings or subsidies in those areas to further encourage housing production. The city could also apply higher floor-area ratios, enabled by the state and approved as part of the City of Yes for Housing Opportunity in 2024. So far, Midtown South is the sole neighborhood to be rezoned using those higher density designations.

But don't expect specific neighborhoods to be singled out in the mayor's forthcoming plan. "Generally it's bad politics to put neighborhoods down in a plan so that everybody can get all riled up ahead of time. Why would you do that?" said MSquared founder Alicia Glen, who served as deputy mayor of housing and economic development under Bill de Blasio.

"You want to lay out what are the characteristics of neighborhoods that make sense."
The city has also moved forward with plans to build housing on city-owned sites, including 100 Gold Street. An analysis by New York University's Furman Center found that the city owns or leases 15,179 lots, spanning 2.2 billion square feet. Of that, about 417 million square feet across roughly 3,000 lots is vacant or has a nonresidential structure that is not in use.

During an event hosted by the Furman Center last month, Bozorg cautioned that only a small fraction of the sites are suitable for housing. Some are too small or oddly shaped. She said people push back on the idea of building anything other than 100% affordable housing on city-owned sites, but deciding the fate of these sites becomes a question of what is the most efficient use of limited resources.

"We don't have an endless capital budget, and our capital budget has to do other important investments: infrastructure, schools. Everything is zero sum when you have constrained resources" she said. "There's really difficult trade-offs that we have to make."

Piecing a plan together
When putting together de Blasio's housing plan, Glen had a deadline: The mayor's first 100 days.

"We had 600 little index cards, and we took 600 ideas, and nobody slept for three months," she said. (The plan was unveiled May 5, 2014.)
She acknowledged that this administration is presenting a plan under different financial realities.

"They are definitely in a much worse position than we were when we came in. The budget was not as strained," she said.

The budget gap stands at $5.4 billion, and Albany lawmakers are still finalizing the state budget that may to some extent create new revenue streams for the city to fill that deficit.

“On the other hand, they have a lot of other things,” Glen continued. “They have, like, everybody loving development, it’s all about abundance. God, what I would have done to have people being like, ‘Yeah, Alicia, it’s a great idea. Let’s build mixed-income,’ as opposed to threatening to put me in jail for doing it.”

During his campaign, Mamdani emphasized affordable housing, but his administration has pushed the need to build housing of varying income levels.

At the Furman Center event, Bozorg said that the city needs to not be afraid to build more housing, and more housing that isn’t just rent regulated.

“We need to build more housing of all types, and if we can leverage city assets to do that, we should,” she said. At the end of the event, a lone audience member stood up to object to building anything other than affordable housing on city-owned land. The outburst got scattered applause, but it lasted only a few seconds.

Some of the same dilemmas faced by previous administrations will no doubt bedevil the mayor’s housing plan: To what extent will the mayor focus on new construction versus the preservation of existing housing stock? And how will they pay for it?

The plan will also likely set immediate goals, including actions that the mayor can take on his own, as well as longer-term aspirations that will require City Council, state or even federal action. Glen said the mayor could change housing term sheets, ensuring that different levels of subsidy are provided for projects that have more bedrooms, so that the city isn’t incentivizing the construction of studio apartments.

The administration could also push for changes to the city’s construction and building codes to make it easier to build more housing, such as excluding elevator shaft space from a building’s total floor-area ratio. The City Council has launched a similar effort.

As a candidate, the mayor promised to build affordable housing with union labor, which critics argued would drive up costs and lead to fewer housing units being built. It’s unclear how the housing plan will broach this issue.

Mamdani also wanted the state to expand the city’s bonding capacity to pay for the units, though that doesn’t appear to be included in this year’s city budget.

“People make a lot of promises and put a lot of things in their policy papers and say a lot of things while they’re campaigning,” Glen said. “But then you have to really go through those things and think about what those things mean in real life. How many of these things are operational? How much can you take it from theory to practice? What is real and what is just rhetoric?”

Give me a number
During the campaign, the mayor pledged to triple the number of publicly subsidized, permanently affordable housing units, by financing some 200,000 units over the next decade.

That number hasn't come up much since he took office. The mayor has instead focused on recounting milestones of his first 100 days.

"We have broken ground on thousands of new units across our city, from Harlem to Bed-Stuy, and these will be both units that are affordable enough to rent, as well as those that are affordable enough to buy," he told a crowd gathered at the Regional Plan Associations' Assembly this month.

Mamdani's predecessors set their own numerical goals: Michael Bloomberg's "New Housing Marketplace" pledged to build or preserve 165,000 apartments by 2013, growing from an initial target of 65,000 by 2008. In 2014, Bill de Blasio's "Housing New York" laid out a 10-year plan to build or preserve 200,000 apartments.

When the Adams administration unveiled its housing plan in June 2022, the mayor said that unlike his predecessors, he would not define his housing agenda by something as unsavory as a unit count. At the time, Adams said he would emphasize how many people were housed during his administration, rather than touting the units created and preserved.

He changed his mind a few months later, and announced a "moonshot" goal of building 500,000 units over the next decade. The mayor continuously touted his administration as the "most pro-housing" in the city's history, asserting as he left office in December that he had delivered on the moonshot by building, preserving or planning more than 433,000 homes during his first and only term. However, roughly 200,000 of that count fell in the last category — stemming from rezonings and housing plans that have not yet come to fruition.

Representatives for the Mamdani administration declined to confirm that a number target would be set.

RPA's Gates said that in addition to the overall unit target, he's watching another key number: Staffing levels at HPD. Where the budget ultimately lands on this will shape how the administration is able to deliver on its housing agenda.

"Everything clicks when you are not 20% down on your headcount," he said.

Wish lists
The agendas of groups like Open New York, whose former policy director Andrew Fine is working on the housing plan as a senior advisor to Bozorg, may offer further clues to the plan's direction. Open New York has called for more city subsidies to social housing, an umbrella term that refers to housing that, to varying degrees, is insulated from market forces. Public housing and limited-equity co-ops fall under that umbrella.

The group also wants the city to make the most of the ballot measures by, for example, prioritizing low-income housing tax credits in the 12 districts that have produced the least amount of housing and barring new historic districts in those areas, which is seen as another way to block new housing.

Annemarie Gray, executive director of Open New York, said encouraging transit-oriented development was one aspect of the zoning changes under City of Yes for Housing Opportunity that wasn't "as ambitious as it could have been." The group's agenda calls for increasing housing construction near transit by upzoning those areas with floor-area ratios above 12 and eliminating lingering parking requirements.

The group also pitched creating a homeownership option under the city's Mandatory Inclusionary Housing program that could pair with the property tax break 485-x. It additionally proposed studying which city schools could be redeveloped to include housing and using city pension funds to help finance the redevelopment of schools into housing.

The state's reforms to SEQRA could also aid these efforts, given that new public schools in the city are now also exempt from environmental review.

When asked if she thinks having Open New York veterans in the administration gives these proposals a leg up, she said the group has been, in general, excited about multiple appointments in the administration.

"I think there's a lot of people in place who have been central to the wins we've seen," she said.

Tenant advocates also have one of their own working for the administration: Cea Weaver, director of the Mayor's Office to Protect Tenants, previously headed Housing Justice for All and the New York State TenantBloc.

The TenantBloc came out with its own public list of policy demands, which include passing reforms to the city's third party transfer program and the Community Opportunity to Purchase Act, or COPA, which would give city-approved nonprofits first dibs on buying certain multifamily buildings. The City Council is expected to reintroduce COPA in the next month or two.

Sumathy Kumar, executive director of the New York State TenantBloc, said she wants to see an overhaul of how the city enforces its building codes.
"I think overall it's about making sure that landlords are held accountable if they are not following through on their end of the contract," she said.

Meanwhile, landlords are waiting to see if the housing plan includes more ways to offset a potential rent freeze on stabilized apartments this year. Property tax reform and curbing insurance costs were two ways the mayor said he would work to help struggling rent stabilized owners, even as he also promised to freeze rents on those units.

In April, the administration announced that it will launch a captive insurance program in 2027 to help reduce the cost of property and liability insurance for affordable and rent stabilized housing. The idea was welcome news for Kieran Harrington, CEO of Riseboro Community Partnership, a nonprofit affordable housing developer and owner. He said

Riseboro's liability insurance ballooned from $4.1 million to $8.1 million last year.
"It blew a hole in our budget," he said. "Every dollar I'm spending on insurance is money I'm not putting into the buildings."

He said more could be done to shield affordable housing from litigation that drives up liability insurance costs.

As for code enforcement, Harrington said buildings sometimes get trapped in a catch-22 because active violations block access to capital reserves, which owners want to access to cure the violations. He said Riseboro has been working with city agencies to figure out how to clear those violations to get to the capital.

Kenny Burgos, CEO of the New York Apartment Association, said he has met with the mayor, though they haven't discussed his housing plan specifically. He would like to see the mayor follow through on his pledge to reform the city's property tax system, though a proposal has yet to emerge.

"We will welcome anything that reduces costs," Burgos said.

Architect Ariel Aufgang said the city should speed up the land use review process for more projects than what is covered by the housing ballot measures that passed in November. He also thinks lawmakers should be more mindful about passing bills that add more red tape.

"There's so many consultants, there's so many agencies, this is why we aren't building," he said. "It's the soft costs."

"Let's let business do business," he continued. "The wheels have to be allowed to roll."