



*Issue Brief: Winter/Spring 2012*

REAL SOLUTIONS FOR NEW YORK CITY:

## AFFORDABLE HOUSING & COMMUNITY DEVELOPMENT

### Promoting Livable and Inclusive Neighborhoods

*A Blueprint for Justice & Opportunity for Immigrant New Yorkers*

Safe, decent, affordable housing and vibrant and inclusive public spaces are vital to the well-being of entire communities. The lack of adequate housing places many immigrant families at risk of losing their homes or of living in substandard conditions. The shortage of space means that the city's public spaces are ever important backyards and gathering places for all New Yorkers. While the demand for space presents numerous challenges for the city's development, it also presents opportunities for innovation.

#### Addressing New York's Underground Housing:

New York City has at least 114,000 apartments that are not reflected in the official number of certificates of occupancy granted by the City and are therefore not approved for use as living spaces.<sup>i</sup> This number is likely a very low estimate. Overcrowding, a scarce supply of affordable housing, inflated housing prices, and a housing gap have led to a surge in unapproved apartments throughout the city, with the highest rates occurring in the boroughs of Brooklyn, Queens, and the Bronx.

These units are a critical source of affordable housing for low-income, often immigrant tenants, allowing them to stay in their communities, near employment and social networks. They also are an important source of income for homeowners, helping many avoid foreclosure or provide space for extended family. While some of these units may have health and safety issues, those issues could be remedied if the units were brought into the regulated market. Tenants living in these units have very limited rights and live under constant threat of eviction, and homeowners, some of whom do not know their unit is illegal, face fines of up to \$15,000. And, since these units are not recognized by the city, planning for important services, like schools and transportation, can't reflect a community's true population size. Bringing these currently unauthorized units into the city's regulatory system

#### THE FACTS ON NYC NEIGHBORHOODS

- ✓ Immigrants pay a larger share of their income in rent than the general population does, and they are twice as likely to live in crowded conditions.
- ✓ New York City has at least 114,000 apartments that are not reflected in the official number of certificates of occupancy granted by the City and are therefore not approved for use

would not only help protect the tenants living in them, but would also ensure that neighborhoods receive their fair share of city services.

### **Real Solutions for New York:**

We urge the city to support the building and maintenance of affordable housing for low- and moderate-income New Yorkers in all five boroughs while also preserving the current stock of affordable housing, with a particular focus on housing for low-income households.

1. **Create an Informal Housing Pilot Program.** The city should create an “accessory dwelling unit” program, allowing existing units that are safe but currently prohibited by law to be permitted and regulated under the city’s housing and building codes. A program that brings these units into compliance would increase the supply of affordable housing, provide occupants of informal units with tenant protections, and allow for an accurate count of population size. The city could begin with a targeted pilot program in areas of high rates of foreclosure and overcrowded schools to test the policy mechanism.
  - a. **Establish nonprofit partners** to administer and support implementation of program and ensure compliance.
  - b. **Provide financial and technical assistance** for compliant owners, including a **grace period during which some fees and fines would be waived.**
  - c. **Existing tenants** must be given priority to remain in unit after legalization
  - d. **Create a tax incentive for owners** as a way to keep units affordable.

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<sup>i</sup> *New York's Housing Underground: A Refuge and Resource*. Pratt Center for Community and Environmental Development. March, 2008