

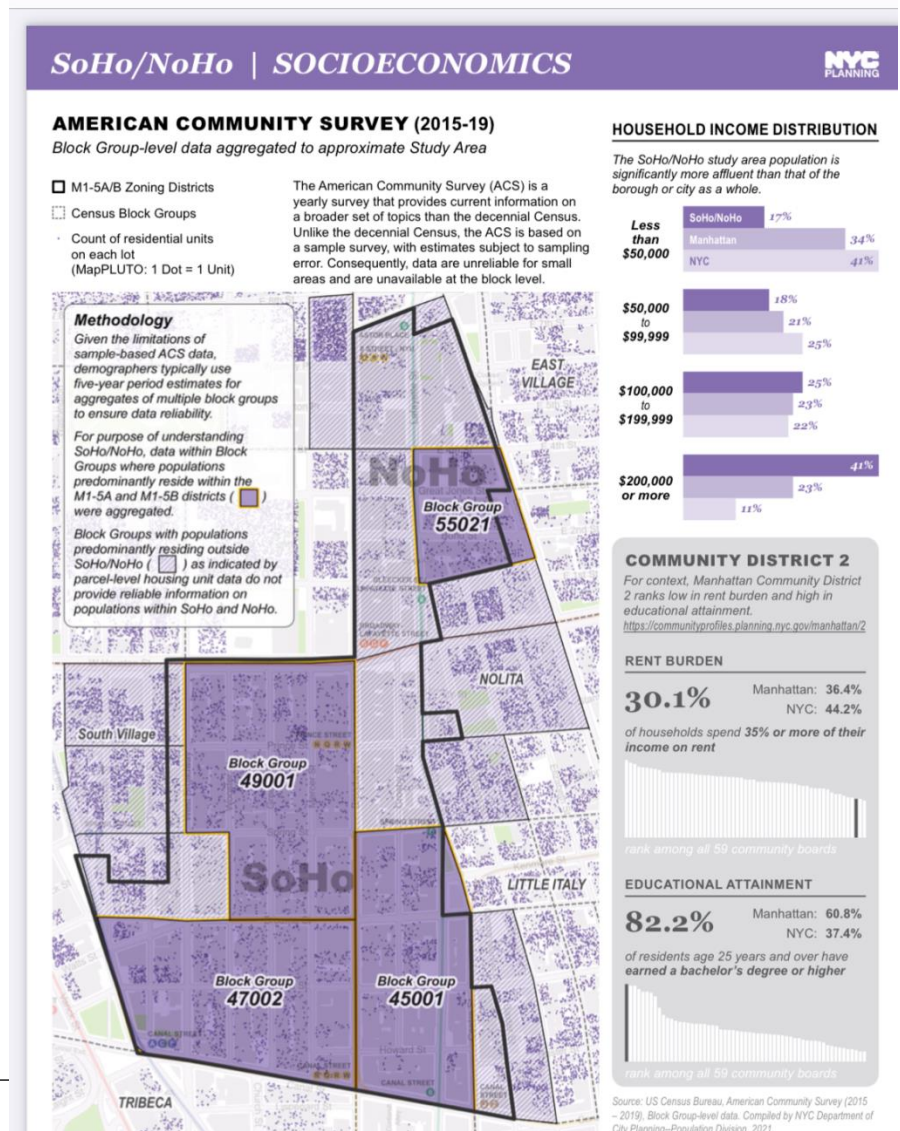
Demographic Disguise: Hiding Low-Income Residents and the True Impact of the City's Plan

The City's case for what it calls the SoHo/NoHo Rezoning is premised on the notion that the rezoning area is wealthier than New York City and Manhattan as a whole, with a higher percentage of homeowners. No one denies this, or that a considerable percentage of residents of this area are very wealthy. **But the City has dishonestly used this fact to also claim that therefore there are not also lower income residents in danger of being forced out of their homes or displaced as a result of the rezoning.**

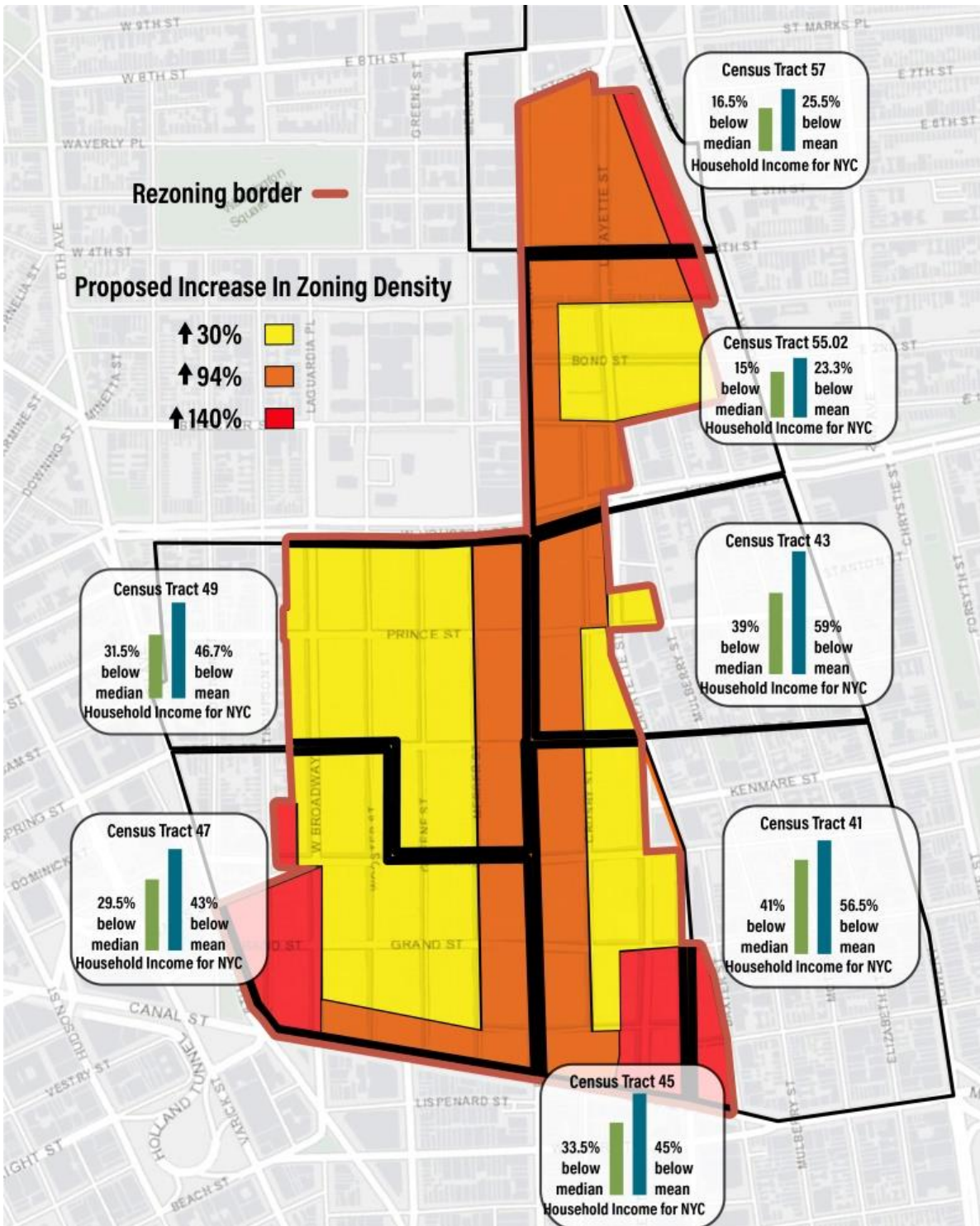
The City has sought to hide the fact that a large percentage of residents of the rezoning area remain lower income – a larger percentage than would be housed in the new residential developments under the rezoning plan, which would at best contain 25-30% “affordable” units. They've also sought to hide that a very high percentage of residents remain renters, many in affordable, rent-regulated housing, who are made vulnerable to displacement by the plan. **The City has been particularly dishonest in hiding the predominantly Asian-American, lower-income population of the Chinatown section of the rezoning area, which is targeted for the largest upzoning and would be most heavily impacted.**

Only after being called out on it, the City has, somewhat [opaquely, admitted that their socio-economic data \(at right\) is not a full or complete picture of the rezoning area](#). In fact, their data is based upon a selection of segments of the rezoning area which excludes much of the Chinatown section of the rezoning, as well as other areas with lower income residents. **It should be noted, however, that even their figures, manipulated to exclude the lowest income sections of the rezoning area, still show roughly 35% of households earning less than the mean household income for NYC of \$97,647.** No attempt, however, has even been made by the City to provide data on the residents of the ¼ mile radius surrounding the rezoning, [where even the City admits “involuntary displacement” may also take place](#).

Read the fine print: the City's socio-economic “analysis” excludes about 1/3 of the rezoning area, including its most low-income and most Asian American blocks.



By contrast, the map below shows [2014-2018 ACS socio-economic data](#) for the entire rezoning area, as well as adjacent areas (all within the ¼ mile secondary impact zone):



As is apparent, every section of the rezoning area has a significant percentage of households with incomes below the mean and median for NYC. It is these households which are most likely to be vulnerable to displacement by the plan; many live within the zones where the most dramatic upzonings of 94% and 140% are proposed. **Collectively for the 7 census tracts, approximately 32% of households earn under the median annual income for NYC, while approximately 46.5% of households earn below the mean for NYC.**

Census tract 41 falls mostly outside the rezoning area, though all of it is located within the ¼ mile radius of the rezoning where secondary displacement may occur. It does also include the blocks **within** the rezoning with the highest concentration of Asian American residents (67.6% and 56.3%). However, **if one were to exclude tract 41 entirely, the 6 remaining census tracts (which excludes some of the poorest residents of the rezoning area and contains many wealthy residents from surrounding blocks of Greenwich Village, NoHo, and NoLiTa), would still have approximately 28.7% of households earning below the NYC median, and approximately 42.6% earning below the NYC mean.**

This clearly illustrates that, among the many wealthy individuals in SoHo and NoHo, there remain a considerable number of lower income households, likely to be pushed out by the rezoning.

The City would argue that, even if that were true, new development will bring in new “low-income” residents. Setting aside that there is [every reason to believe the rezoning will produce little or no affordable housing](#), the fact is **that even if new “affordable” housing does account for 25-30% of new residential spaces, residents of that “affordable housing” will be wealthier than the least well-off 25-30% of current residents of the neighborhood who are likely to be displaced, while the 70-75% of new residents in market rate residential space will be far wealthier than the top 70-75% of income earners currently in the neighborhood. Thus even in a best-case scenario, the rezoning will make for a dramatically wealthier neighborhood.**

The two versions of Mandatory Inclusionary Housing being (MIH) contemplated for this rezoning call for either 25% of residential space to be reserved for households earning an average of 60% of Area Median Income (AMI), which is \$47,220, or 30% of residential space reserved for households earning an average of 80% of AMI, which is \$62,960.

But in the 7 census tracts, 25% of households earn \$47,462 or less (i.e. between \$0 and \$47,462) as opposed to the average of \$47,220 required by one version of MIH, while 30% earn between \$0 and \$56,547 annually, as opposed to the average of \$62,960 required by the other version of MIH.

For the 6 census tracts, 25% of households earn between \$0 and \$53,399 (vs. 25% earning an average of \$47,220 under MIH) and 30% of households earn between \$0 and \$63,399 (vs. 30% earning an average of \$62,960 under MIH).

To hone in more closely, Census tract 45 is the only one located more or less entirely within the rezoning area (a single building, 199 Lafayette Street, lies within the tract but outside the rezoning area; it has a commercial C of O, though there may be a small number of residents in the building). This tract also overlaps with all three upzoning segments proposed by the City (30%, 94%, and 140%), and contains a racial mix of residents reflective of the overall rezoning area, living largely in lofts and tenements.

In Census Tract 45:

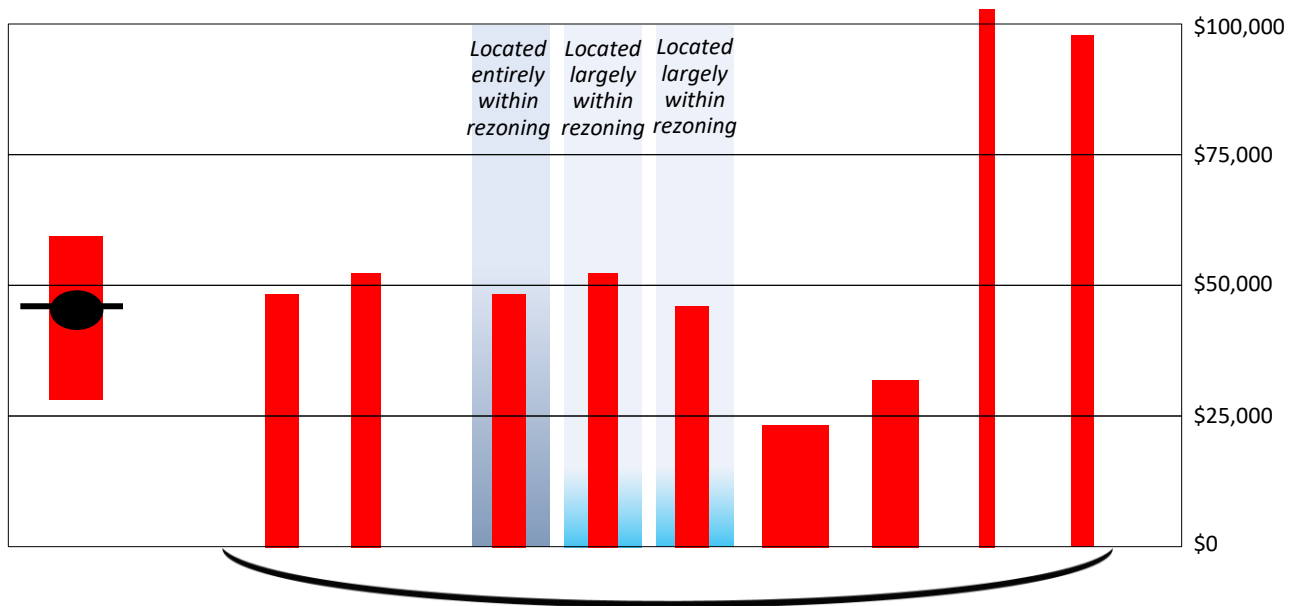
- 25% of households earn between \$0 and \$47,099 annually, and 30% earn between \$0 and \$54,037 annually

Whereas in residential developments under the rezoning which include the maximum amount of affordable housing:

- 25% of households (in affordable units) would earn an **average** of \$47,220, or 30% would earn an **average** of \$62,960.

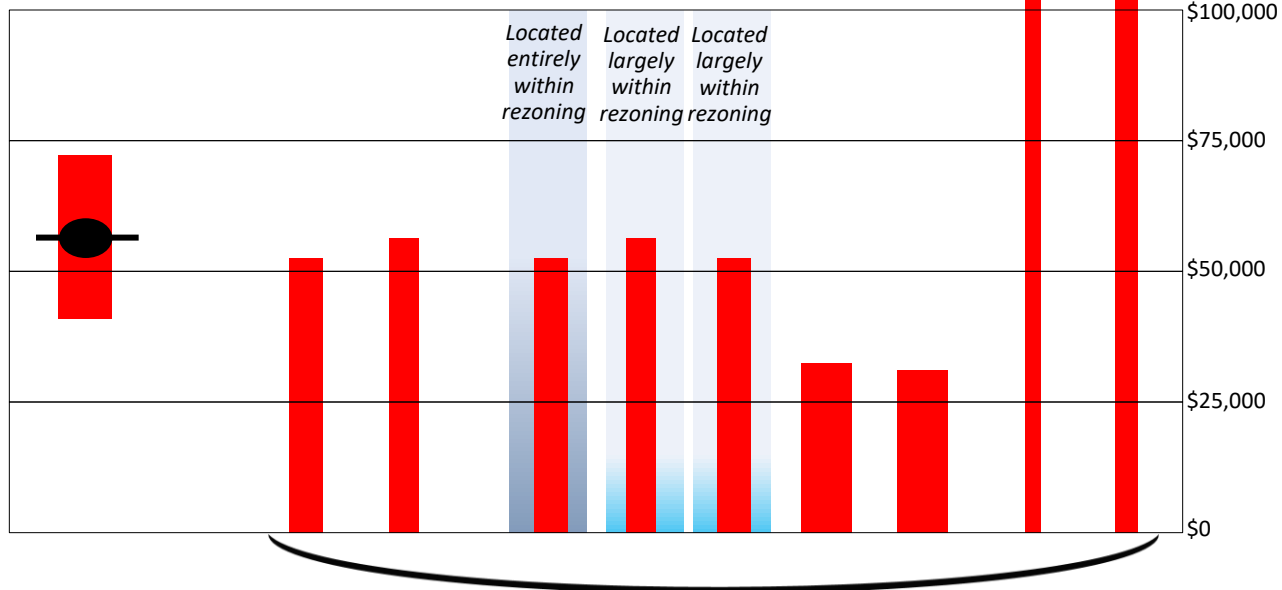
Clearly the 25-30% of households which would be found in the affordable units (should they actually be built) under the rezoning plan would be considerably wealthier than the 25-30% of the neighborhood currently at the lowest end of the income spectrum, thus making for a markedly wealthier neighborhood.

Income levels for lowest 25% of income earners (using 25% MIH plan)



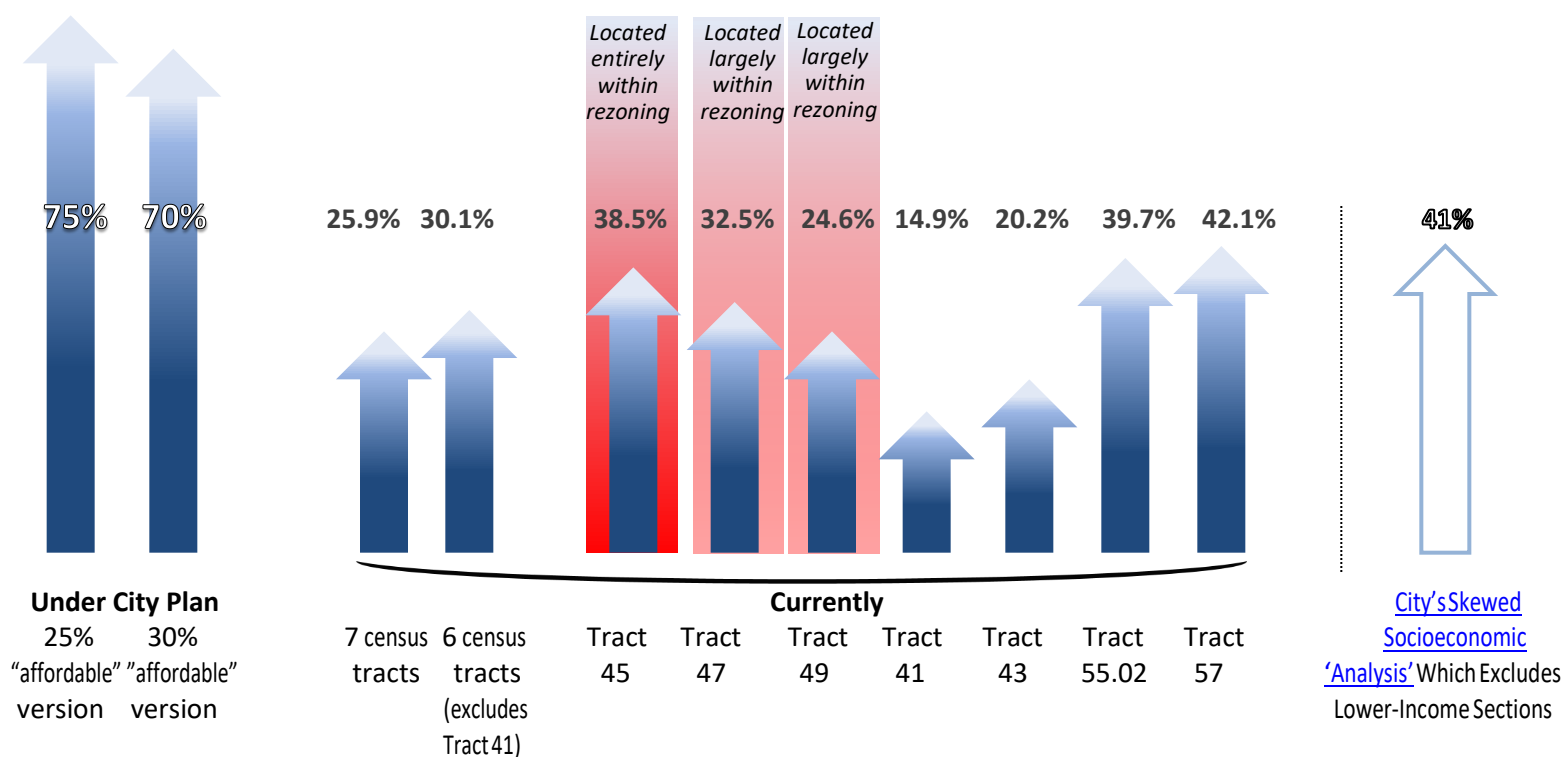
Under City Plan			Current Neighborhood						
must average	7 census	6 census	Tract	Tract	Tract	Tract	Tract	Tract	Tract
60% Median AML/ \$47,220	tracts	tracts	45	47	49	41	43	55.02	57
	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-
	\$47,462	\$53,399	\$47,099	\$52,015	\$46,976	\$21,249	\$33,570	\$102,406	\$95,651
	(w/o Tract41)								

Income levels for lowest 30% of income earners (using 30% MIH plan)

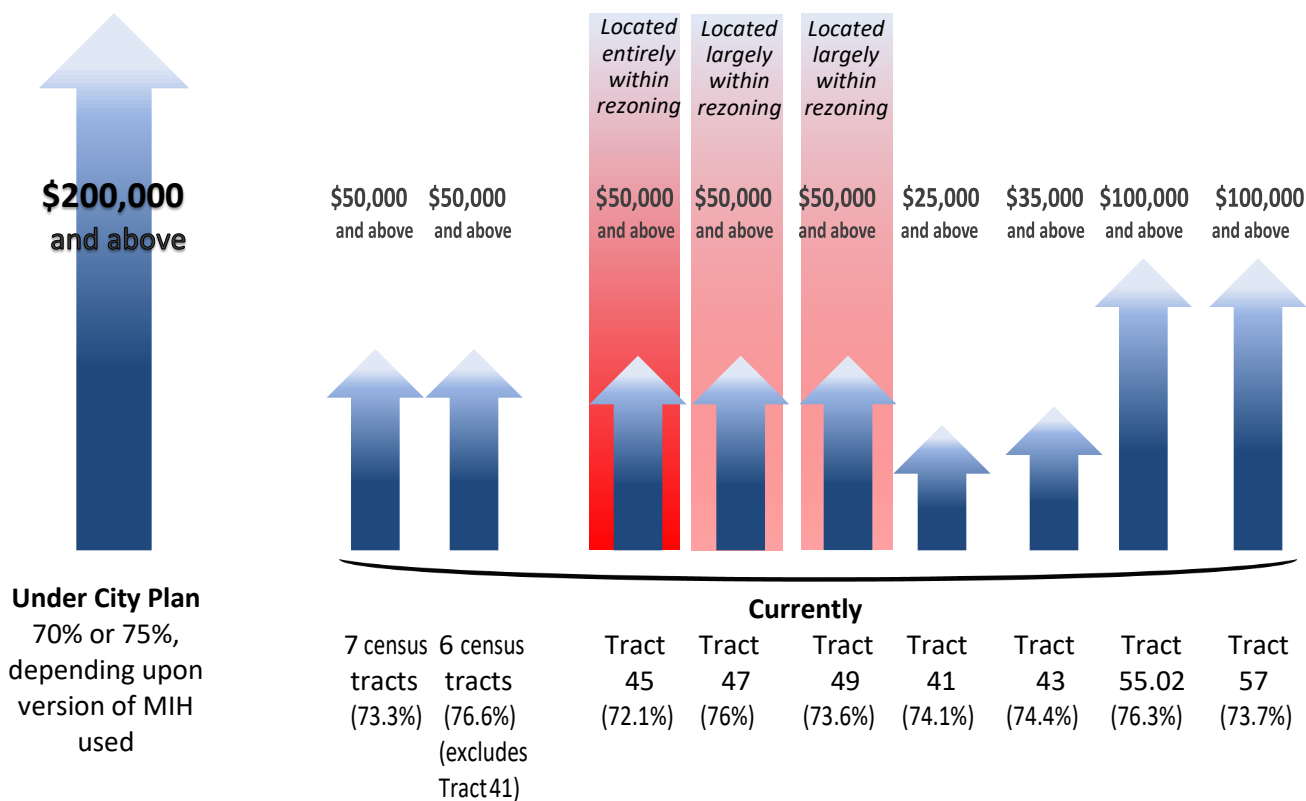


Under City Plan			Current Neighborhood						
must average	7 census	6 census	Tract	Tract	Tract	Tract	Tract	Tract	Tract
80% Median AMI/	tracts	tracts	45	47	49	41	43	55.02	57
\$62,960	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-
	\$56,547	\$63,399	\$54,037	\$62,096	\$57,626	\$36,934	\$36,250	\$111,665	\$110,269
		(excludes Tract 41)							

% of households with annual incomes of \$200,000 and above



Income levels for top 70-75% of income earners



The situation is even more dramatic at the upper end of the economic spectrum, where the top 70-75% of income earners in new housing created under the rezoning (market-rate units) would be considerably wealthier than the top 70-75% of income currently living in the neighborhood.

Given that market rate residences in new construction in the neighborhood average monthly [rents of almost \\$17,000](#) and [sales prices of \\$6.437 mil.](#), it's entirely reasonable to assume that all residents of these new market-rate units will make at least \$200,000 in annual income – the highest income bracket recorded by the census and ACS (likely many will make much more).

But even the City's socio-economic data for the rezoning area (heavily skewed to exclude poorer residents of the neighborhood) says that only 41% of households in the rezoning area currently make over \$200,000 – just over half as many as in new developments.

The results are even more telling when one compares that to the 7 census tracts where just 25.9% of households make \$200,000 or more, or even the 6 census tracts (excluding tract 41), where just 30.1% of households make \$200,000 or more.

In Census Tract 45, which is located essentially entirely within the rezoning area and which is representative of the rezoning area in key respects, the number is just 38.5%. In tracts 47 and 49, located largely within the rezoning area, the numbers are 32.5% and 24.6% respectively.

In fact, in no census tract within the rezoning area does the percentage of households earning over \$200,000 come even close to the 70-75% that would in new developments under the rezoning even if they included affordable housing (the highest percentage in any tract is 42.1%, in tract 55.02).

And while at least 70-75% of households in new developments would make over \$200,000 annually, in every census tract within the rezoning, the incomes of the top 70-75% of income earners are considerably lower.

According to ACS data, in three of the 7 census tracts, the top 70-75% of income earners make \$50,000 and above, in two they make \$100,000 and above, and in one each they make \$25,000 and above and \$35,000 and above. For both the 7 census tracts as a whole as well as the 6 census tracts (excluding tract 41), the top 70-75% of income earners make only \$50,000 and above.

By any measure, new developments under the rezoning plan – even if they include 25-30% affordable housing -- will house residents considerably wealthier than current residents of the neighborhood. Residents of the 70-75% of such new developments which are market rate will be wealthier than all but about the top 30% of income earners currently in the neighborhood. And residents of the 25-50% affordable housing will be considerably wealthier than the least well-off 25-30% of the current neighborhoods.

Thus even under the best of circumstances, the rezoning will make this neighborhood much wealthier at the both the lower and upper ends of the economic spectrum. But with the great likelihood that the rezoning will also result in the destruction of a great deal of current affordable rent-regulated housing, and the displacement of lower income residents, and will result in very little affordable housing construction, the plan's profound and negative impacts on affordability, equity, and housing justice will be even greater.