

Full Statement in Response to the Jerome Ave Draft Scope

The Bronx Coalition for A Community Vision

September 8, 2016

The city's plan to rezone 73 blocks along Jerome Ave in the Southwest and Northwest Bronx, is the largest proposed land change in the Bronx since Co-Op City in 1973. It will change the use of land to facilitate the displacement of the manufacturing, auto and industrial spaces and to facilitate the construction of more than 4,000 privately owned residential apartments, providing housing for more than 12,000 people.

But who will the housing be for? Who will build the housing? How will this impact the displacement pressures on the mostly rent-stabilized tenants who live in the surrounding blocks? And how will this impact the immigrant, Dominican auto industry?

On Affordable Housing:

The plan documents the current housing conditions of the impact area—or all of Community Boards 4 and 5. 80% of housing was built before 1947. 2/3 of housing is government regulated. Median household income is 25,900. 25% of households make more than \$50,000. Most tenants (over 55%), pay more than 30% of their income towards rent.

The city says that without a rezoning, the market would create 780 new apartments over the next 10 years. The rezoning will add 3,250 apartments to that number, across 145 different development sites. In total, the rezoning will determine the nature of the more 4,000 residential units over the next 10 years. This is an incredibly bold government action.

The plan repeatedly says that the City's aim is to create permanently affordable housing. The City says it will do this through Mandatory Inclusionary Housing (MIH) and city and state financing programs for affordable housing. Unfortunately neither of these options create a significant number of units that match the neighborhood need. No option in MIH reflects neighborhood needs—the best option leaves out 78% of neighborhood residents. The city's best financing program, ELLA, is also wholly inadequate as most of the housing it subsidizes are for families making \$52,000/year. The city therefore has no mechanism to mandate affordable housing or leverage the market to create it, at levels that reflect the needs of neighborhood residents.

The stated goals of the rezoning are therefore either entirely false or entirely for another population.

Our coalition has worked with nonprofit developers, community residents and the building and construction trades to create a new financing program that would subsidize affordable housing at the levels that reflect the current needs while also at a cost that reflect the needs of career oriented and safe jobs. The rezoning cannot move forward until this financing program is created.

On the Displacement of Local Residents:

The rezoning area is currently comprised of mostly nonresidential uses. If the rezoning goes through, developers will not need to tear down residential buildings to build higher ones; they will be building on sites that today are empty or include other uses, such as auto businesses. The City therefore projects

direct displacement of fewer than 500 residents and concludes that this would not “typically be expected to alter the socioeconomic characteristics of a neighborhood,” making it unnecessary for the City to study direct residential displacement at all

The City does say that it *might* conduct a detailed analysis of *indirect* residential displacement – the type that is caused when an influx of higher-income tenants move into a neighborhood and change the local housing market, driving up rents for everyone. But the City **MUST** commit to looking at this issue, which is critical for our community. The fact that residential displacement isn’t a central area of study, is highly problematic. Without a mechanism to create real affordable housing, the more than 12,000 new residents that the rezoning will bring will make at least \$25,000 more than the average neighborhood Bronx family. If higher income tenants move in, services will change in the neighborhood and other higher income tenants will move into the rent stabilized housing. Landlords who *already* engage in a series of illegal behaviors that cause displacement and whose business plans often *rely* on such displacement, as has been incredibly well documented by grassroots campaigns against predatory equity, will have an even *greater* incentive to harass lower-income rent-stabilized tenants out of their homes to make way for higher income residents. But the City typically does not examine illegal tactics of harassment and displacement in the environmental review process. Because of this, the City will not be addressing the harsh realities low-income rent stabilized tenants are likely to face after the rezoning—masking the true impact of the City’s actions. Not studying the illegal behavior the rezoning will fuel and its impact on tenants is simply irresponsible and unacceptable. This rezoning will result in an increase in both legal and illegal displacement. We cannot and should not have to wait for ULURP to start to hear from the city about a comprehensive anti-displacement plan.

Bringing in more than 12,000 residents and displacing almost all of the auto industry is an extreme act. Where is an equally extreme effort to enact an anti-displacement plan for residents who live here now? We need a study that encompasses both the legal and illegal displacement that could occur.

The city should not move forward with this plan until Intro 214 is passed, providing a right to counsel for all low income and working class tenants facing eviction, a certificate of no harassment policy is established, either in this neighborhood or citywide, that will discourage bad landlord behavior, and a special HPD task force is created to monitor displacement and enforce the preservation of existing and especially rent stabilized housing.

On Construction Jobs, Local Hire and Worker Safety

There is nothing in this scope about the jobs needed to create more than 4,000 units of housing or the safety requirements for those jobs. 4,000+ units of housing will create about 4,000+ construction jobs.

Our neighborhoods have a 15% unemployment rate. Only 60% of the population over 16 participates in the labor force. If we are creating jobs in our neighborhood, we need to create jobs *for* our neighborhood. And not just any job, but safe, well-paying jobs. Moreover, we don’t want jobs—we want pathways to careers. With more than 4,000+ workers needed to build these buildings, we need to ensure that they come through state approved apprenticeship programs and that we have local hire provisions.

The city can act now to reform its subsidy programs to mandate local hire and state approved apprenticeship programs. The city can act now to pass legislation to make sure work sites are safe and that workers are protected. The city cannot and should not facilitate the creation of 4,000+ jobs, without making sure they are high quality, well-paying jobs, for the Bronx.

On the Displacement of the Immigrant, Auto Industry

The scope is completely silent on the benefits of the auto industry. Instead, according to the scope, auto shops (heavy commercial uses), block sidewalks, encourage vehicles to cross into auto shops and parking garages, operate in bays and behind heavy gates removing “eyes from the street,” and produce extreme levels of noise, all of which are generally “incompatible with a strong pedestrian experience.”

We will correct that here. Auto repair businesses are an important source of jobs for people of color, immigrants, and people without a high school diploma or college degree. In NYC, more than 60% of auto workers are immigrant, 75% are people of color (with large percentages of African Americans and Latinxs), 25% of auto jobs pay \$40,000 to \$60,000 a year, 23% of auto jobs pay more than \$60,000 a year, about 70% of auto workers have a high school diploma or less.¹

Auto repair jobs—like mechanics and body repair—pay better than other jobs that don’t require a formal degree, like restaurant and retail work. For example, the average annual wage for auto jobs in the New York area is \$44,000, compared to \$25,000² for food preparers. The city currently has no stated intention to assess loss of jobs and the impact on the local economy, neighborhood, communities and families.

The proposed Jerome Avenue rezoning area is home to more than 100 shops, which employ hundreds of people.³ It’s one of the densest auto corridors in the city, with high concentrations of businesses in a small area. This increases the area’s competitiveness, because customers go to places where they can find many services in one place and hunt for the best price.

These businesses show no signs of wanting to move within the next 10 years. 77% of businesses surveyed along Jerome Avenue by United Auto Merchants Association (UAMA) say they plan on staying. 60% of these businesses have been operating and providing jobs on the corridor for more than 15 years.

Despite these “retention areas,” the zoning of 83% of the land currently available for auto-related uses will change to allow housing. Landlords will be able to make more money from their property by selling it, or redeveloping it to build housing or bring in businesses that can pay higher rents.

Under the current plan, the land the city will keep available for auto-related uses represents less than one-third of Jerome’s auto sector. Only 28% of existing auto businesses are in these retention areas, and only 26% of Jerome’s auto repair workers work at these businesses.⁴

The rezoning plan’s message to the predominantly Dominican Auto Industry is: Get Out of the Way.

¹ American Community Survey PUMS 5Year 2014

² New York State Department of Labor Occupation Employment Statistics NYC Region 2015

³ New York Department of City Planning 2015

⁴ NETS data 2014

In addition, many restaurants, retail stores, churches and social service organizations currently rent space on the streets that will be rezoned. Under rezoning, they risk being displaced as property owners demolish their buildings, rebuild and seek higher paying tenants.

Conclusion:

This plan is not a neighborhood plan—it runs through multiple different neighborhoods. It is not an affordable housing plan, since DCP can neither create affordable housing nor guarantee what developers will build and since the City's best tools to leverage the private market for affordable housing, leave out 78% of neighborhood residents. It is not a jobs plan, since there are no provisions for local hire, worker safety or wages for the close to 4,000 construction jobs the plan will create and since it will most surely displace the more than 1,000 Dominican immigrant autoworkers and business owners.

We believe that development without displacement is not only possible but necessary. We created a set of policy recommendations for the city to implement, none of which have been implemented. We believe this plan is about relocation, gentrification and displacement. We say no to the plan and yes to the Bronx.