Affordable Housing Plans in London and New York: Between Marketplace and Social Mix

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To cite this article: Nathan Marom & Naomi Carmon (2015) Affordable Housing Plans in London and New York: Between Marketplace and Social Mix, Housing Studies, 30:7, 993-1015, DOI: 10.1080/02673037.2014.1000832

To link to this article: http://dx.doi.org/10.1080/02673037.2014.1000832

Published online: 16 Feb 2015.

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Affordable Housing Plans in London and New York: Between Marketplace and Social Mix

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(Received October 2013; accepted December 2014)

ABSTRACT The article reviews and critically analyzes contemporary housing policies and plans in London and New York in the context of neoliberal urban governance. In both cities, we find severe housing affordability problems, an increasing dependence on market provision of affordable housing, and a gradual shift from supporting low- and moderate-income residents to promoting housing for households around and above the median income. Affordable housing plans in both cities also link their “marketplace” orientation to “social mix” objectives. The article addresses some socio-spatial implications of these plans and raises concerns regarding the implementation and unintended consequences of mixed-income housing. The conclusion discusses ideas and tools for more equitable affordable housing policies. Finally, we suggest that our analysis of the policy trends in London and New York and the implications we draw may be relevant to other global and globalizing cities, which face similar affordability concerns and rely on the marketplace to address housing needs.

KEY WORDS: Housing policy, affordable housing, comparative housing, mixed-income housing, intermediate housing, neoliberal urban governance

1. Introduction: Affordable Housing and Neoliberal Urban Governance

In recent years, a renewed discourse of “affordable housing” has become more evident and urgent in many major cities of the developed economies. From Amsterdam to Zurich—via Barcelona, Copenhagen, Frankfurt, London, Milan, New York City, Oslo, Paris, San Francisco, Sydney, Tel Aviv, Tokyo, and Vancouver—booming housing markets and escalating prices during much of the 1990–2000s created an “affordability crisis.” While many homeowners have benefited from this price appreciation, growing numbers of low- and middle-income residents were required to pay higher shares of their income for their purchased or rented housing, usually considered “unaffordable” at above 30 per cent of...

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The global financial crisis, following the US “sub-prime” mortgage crisis in 2007, temporarily reduced prices in some cities but brought new challenges of affordability, including a halt in new housing construction and a steep rise in foreclosures and evictions. Subsequently, the perception that housing is growing out of reach for many—part of a larger concern with increased income inequality and middle-class disfranchisement—played a role in the spread of popular protests and “Occupy” encampments in numerous cities in 2011.

The discourses and contestations surrounding affordable housing are closely related to the neoliberalization of urban governance, which has profoundly affected both housing markets and policies in the major cities of developed economies. For the last three decades, neoliberalism has been the dominant political economic paradigm in North America, West Europe, and growing parts of the world. As a “constructed” intellectual and political project (Peck, 2010), it has framed “structural adjustments” in the role of governments in the market, deregulation of capital flows and economic transactions, privatizations of public programs and services, and numerous other interventions at various scales, from international to local. This has been shown to be a variegated, path dependent, embedded, and contested process in different countries and cities—what Brenner & Theodore (2002) termed “actually existing neoliberalism.” They and others (e.g., Peck & Tickell, 2002; Wilson, 2004) have highlighted the strategic role of cities and the urban context in neoliberal projects, including the restructuring of urban housing markets through both “destructive” and “creative moments.”

The neoliberal restructuring of housing policy has been analyzed in detail in the contexts of the USA (e.g., Bratt et al., 2006; Landis & McClure, 2010; Marcuse & Keating, 2006; Schwartz, 2010) and the UK (e.g., King, 2010; Malpass & Cairncross, 2006; Mullins & Murie, 2006; Murie, 2009). In both contexts, under Thatcherism and Reaganomics, there has been a general emphasis on “choice” as employed by the rational individual consumer in the housing market. This restructuring has led to reduced public support for housing, with less investment in the supply side—the production of subsidized housing units—and an emphasis on subsidizing the demand side—rent assistance or mortgages for low- and moderate-income households. It was manifested also in the privatization of existing public housing stock, mostly through its sale to long-term residents under privileged terms.

Other recurrent elements of housing neoliberalization have included: promotion of private homeownership, even at the low-end of the market, through deregulation of the mortgage market (Saegert et al., 2009; Shlay, 2006); a redefined and reduced role for “traditional” actors, particularly national and local governments (Mueller & Schwartz, 2008) alongside an emphasis on public–private partnerships and an enhanced role for “nonprofit” developers or Community Development Corporations (Fraser & Kick, 2007); expansion of housing provision through the planning system in the shape of “planning agreements” between local authorities and private developers (Whitehead, 2007) or “inclusionary zoning” (Calavita & Mallach, 2010); and marketing new housing “products,” particularly in the “intermediate” area between rental and full homeownership (Wilcox, 2005). Thus, under neoliberalism, the name of the game has changed in housing policy: not a response to “needs” (Whitehead, 1991), let alone “rights” (Bratt et al., 2006), but a supply of “affordable housing” as a niche within the mostly private market.

These changes have been most pronounced—and closely studied—in London and New York, the quintessential “global cities” and “testing grounds” of neoliberal urban policy.
While many of the neoliberal adjustments were implemented at the national level over the last three decades, global cities like London and New York have used some of their resources to develop housing policies of their own, “made to measure” to their unique needs and conditions. In particular, they address the pressures of extremely high housing prices, a result of high demand—partly caused by waves of in-migration of skilled professionals as well as unskilled workers—which have impacted not only low-income inhabitants but also young, middle-income residents. The need to retain and attract the latter, who are considered essential for their local and global competitiveness, coupled with the substantial financial capacity of global cities, seems to give birth to a “new generation” of housing policy, which puts affordability at its heart.

In the context of these longer trends, this article focuses on the new housing plans of London and New York—the London Housing Strategy (LHS; 2010, revised 2011 and 2013) and New York’s New Housing Marketplace Plan (NHMP; 2004, revised 2010). Methodologically, it offers a critical reading of official policy documents, which present the recent municipal packages of affordable housing in the two case studies of London and New York, alongside a synthesis of available housing-related data and empirical housing studies. In both cities, we compare the most recent housing plans with the plans that preceded them. While the article does not develop a direct comparison between the housing plans of London and New York, by reading the plans against each other we can offer some insights, highlight similar policy trends, and suggest several policy implications. Our analysis focuses on two inter-related issues: the clear “marketplace” orientation of contemporary affordable housing plans and the deliberate social mix that they promote in new and renewing residential areas. Both these issues, in turn, are closely related to the question of target populations—i.e., who are the beneficiaries of affordable housing designated by the plans.

It could have been expected that under neoliberal conditions, these two cities would leave housing to the free market and some “residuals”—i.e., the care of poorer and less “competitive” populations—to the central government. Yet what we find is a considerable effort in both London and New York to counterbalance their unaffordable markets by managing the provision of affordable housing, albeit through market-based tools. At the same time, partly in connection to the emphasis on mixed-income and mixed-tenure housing, these cities direct considerable subsidies away from the neediest to moderate- and middle-income city residents. We discuss and analyze these issues, emphasizing implications for lower-income residents and concerns regarding the achievement of the goals of mixing, including unintended consequences such as displacement of low-income households. We conclude by placing our analysis of affordable housing policies in London and New York in a wider context of global and globalizing cities and policy mobilities in the present neoliberal era.

2. Recent Housing Plans in London

London’s dominant role in the global economy, alongside housing policies enacted by consecutive governments and shaped by a “discourse of globalization” (Clapham, 2006), has profoundly transformed the city’s housing market in the past three decades. One result has been rapid house price inflation, as average prices in London nearly tripled between 1997 and 2007 (Greater London Authority (GLA), 2009, p. 12). By 2011, average private
rents were twice as high in London than the national average, with nearly half of private tenants in London falling under the national poverty line (GLA, 2011a, pp. 12–13, 39). According to Bowie (2010), over 65 per cent of households in London could not afford access to market housing, compared to 30 per cent in the country as a whole. Thus, both house prices and rents have become out of reach not only for low-income but also for middle-income Londoners, contributing to a reported rise in socio-spatial inequality (Butler & Robson, 2003; Hamnett, 2003a).

Housing was part of the decommodification of social services in the postwar welfare state in the UK, and during the 1950–1960s, local councils built three million housing units, nearly a million more than the private sector. Yet toward the end of the 1970s, the ostensible failings of council housing paved the way to new policies (Mullins & Murie, 2006, pp. 35–37). With the 1979 election of Margaret Thatcher as Prime Minister and the subsequent “roll out” of neoliberal policies, emphasis was put on increasing homeownership, including the transfer of public sector housing into owner-occupation through the “Right to Buy” program. In parallel, policy-makers reduced subsidies for the construction of social rented homes. Beginning in the early 1990s, another significant shift took place, as the majority of new affordable housing in the UK has been produced with the help of the land-use planning system. As stipulated by Section 106 of the 1990 Town and Country Planning Act, public authorities enter “planning agreements” with the private sector and solicit “developer contributions,” which often take the form of affordable housing, alongside other community assets and infrastructure (Whitehead, 2007).

Housing policy in the UK is generally led by the central government, and London did not have much influence over its policy following the 1986 dissolution of the Greater London Council. However, since the establishment of the GLA in 2000, the city has gradually reasserted its role in designing and implementing its own solutions to its severe housing problems. The 2007 GLA Act gave the Mayor of London responsibility for producing a statutory housing strategy for the city. The 2011 Localism Act devolved even more housing powers from the national government to the Mayor, making him directly responsible for strategic housing development and investment (Bowie, 2010; GLA, 2010, 2011b).

2.1 Who Are the Beneficiaries of Affordable Housing Plans in London?

On the background of these trends and in the context of London’s severe housing problems, Ken Livingstone, the first elected Mayor of London (2000–2008), announced in 2004 a Spatial Development Strategy, known as the London Plan. The Plan put an emphasis on affordable housing, setting a target that 50 per cent of net new residential units in London should be affordable (Bowie, 2010). Affordable housing was defined as “housing designed to meet the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing in their borough” (GLA, 2008, p. 73). A policy innovation of the London Plan was the division of affordable housing into two subcategories: the conventional type of social rented units and a new type of “intermediate housing,” including various forms of shared ownership and “part-buy part-rent” schemes.

In 2008, Boris Johnson was elected Mayor and in February 2010 he published the LHS, “London’s first statutory housing strategy” (GLA, 2010, p. 7). The Strategy was explicitly set against London’s global economic success, which has “come at a cost for many of those seeking a home here, resulting in problems of affordability, homelessness and overcrowding” (GLA, 2010, p. 13). In particular, it acknowledged the acute shortage of
social rented units, as reflected in long waiting lists,\textsuperscript{5} reliance on temporary accommodation, and growth in severe overcrowding. Keeping with the definitions of the London Plan, the Strategy set a target for the delivery of 50,000 affordable homes in the four years up to 2012: 30,000 social rented homes and 20,000 “intermediate housing” (GLA, 2010, p. 17), as shown in Table 1.

The table highlights the main trends in London’s housing policy and in its implementation during the first decade of the millennium:

- In Livingstone’s London Plan, the production of housing units was to be divided 50:50 between market units for better-off populations and affordable units for less affluent residents of the city. His successor Johnson planned to build more homes through the LHS but to allocate only 40 per cent of them as affordable housing for less affluent residents. In both cases, the realized plans (what was actually built) saw an increase in the share of market and intermediate housing for higher-income customers.

- Looking only at affordable units, there was a decrease in the planned share of social rented housing for the most in need from 70 per cent of the total planned in 2004–2008 to 60 per cent in 2008–2012, while intermediate housing for near-median- and above-median-income households increased to 40 per cent.\textsuperscript{6}

- A significant change between the 2004 Plan and the 2010 Strategy is reflected in their definition of the target population for intermediate housing: in 2004, it included households with an annual income between £15,000 and £40,000, while in the later Strategy, the target changed to households with an annual income of £18,100 to £61,400 (£74,000 for families with dependents), aiming for an average

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\textsuperscript{a} 2009–2011.

\textsuperscript{b} Median household income in London (2009) was £30,170.
of all new intermediate housing buyers at the midpoint of this range (GLA, 2010, p. 21)—i.e., at around £39 750. This is considerably higher than London’s median annual household income, which was £30 170 in 2009 (Walker, 2010). Hence, the LHS directs the supposedly affordable housing in the category of intermediate housing to households well above the median income in London.7

The 2013 revision of the LHS has set even more ambitious terms for new and affordable housing, as Mayor Johnson announced an “epic challenge of building more than 42,000 new homes a year, every year, for twenty years,” a level unseen since London’s metropolitan expansion in the 1930s (GLA, 2013, p. 2). Of these, at least 15,000 should be affordable homes each year: 40 per cent as “flexible low cost home ownership products” (i.e., intermediate housing, with eligibility expanded to households earning up to £66 000 annually, or £80 000 for larger families), whereas 60 per cent will be delivered as a new “Affordable Rent” product (see below). Of the latter, half will be “capped” at low rents and prioritized for those in the greatest need, and the other half offered at “discounted” rents of up to 80 per cent of market rent and targeted to those in work. Thus, while the 40:60 ratio of intermediate to social rented housing was formally kept, there seems to be further reduction in housing targeting the most in need. In fact, a noticeable change in the revised Strategy is the prioritization of working households, in line with the Mayor’s 2012 Housing Covenant, which stated that “those who contribute through hard work to London’s success should expect a reasonable housing offer in return” (GLA, 2013, p. 22).

Overall, the LHS’s emphasis is on new housing provision—due to the acute shortage and high demand—but it also contains measures concerning the secondary market, such as improving mortgage options for first-time buyers. Notably, it sets a range of policies to regulate and support the private rented sector, while rejecting rent controls, which were abolished in 1988. These include launching the London Rental Standard, which sets benchmarks for landlords and letting agents; offering greater protection for tenants through longer tenancies and more certainty over rent increases; and encouraging large employers (with the GLA itself taking the lead) to invest in subsidized rental housing for their employees or offer them loans to cover rental deposits.

These changes within London’s policy over the past decade, which realign affordable housing closer to market prices and median incomes, reflect wider changes at the national level affecting housing subsidy and assistance. In particular, following the election of David Cameron’s coalition government in 2010 and the onset of its fiscal austerity plans, the government has greatly reduced its grants for new social housing, requiring housing associations to increase their borrowing and raise rents to make up the difference.8 In 2011, it introduced the new “Affordable Rent” product, whereby most social rents would be set at 80 per cent of local private rents, far higher than previously.9 This “revenue-led” model is designed to ensure that new affordable homes will be built despite the deep cuts in government support.

To compensate for the rise in social rents, the government increased its Housing Benefit payments for low-income residents. Despite this, a universal benefit cap instated in 2013, set at £500 per week for families, has made the new rents unaffordable for many low-income households, particularly in London (Gentleman, 2014). Moreover, the increases in Housing Benefit do not apply to residents in the private rented sector who receive Local Housing Allowance (LHA). In fact, reductions in the maximum rents eligible for LHA will likely render large areas of London unaffordable to low-income renters. Fenton (2011)
estimates that the changes are expected to immediately reduce the proportion of London neighborhoods affordable to LHA claimants from 75 to 51 per cent, falling further to 36 per cent by 2016. As a consequence, most inner London boroughs are likely to become almost entirely unaffordable to LHA claimants by 2016, whereas areas in outer London, already characterized by high rates of multiple deprivation, are likely to house increasing numbers of low-income renters. Overall, these changes are expected to increase the segregation of poor households in London (Fenton 2011). They also negate the stated objective of the Strategy to allow households access to appropriate housing in their borough—pointing to the uneasy relation between the market orientation of London’s affordable housing policy and the idea of social mix.

2.2 Promoting Social Mix Through Affordable Housing in London

Ideas of social mix have been on the agenda of town planning in England since the nineteenth century (Sarkissian, 1976). They were later integrated into affordable housing policies following the recognition of the role of housing in social exclusion by British researchers and policy-makers (Mullins & Murie, 2006; Tunstall & Fenton, 2006). Reducing social exclusion was a key element in the political agenda of the New Labour government of Tony Blair. It established the Urban Task Force (1999) for urban regeneration and the Social Exclusion Unit, which concentrated at first on the poorest council housing estates, partly inspired by the American HOPE VI program. The New Labour government also promoted the Sustainable Communities Plan (Office of the Deputy Prime Minister, 2002), which emphasized the housing shortage and affordability problems in London and incorporated the goal of social mix into its housing plans.

Social mix in Britain is usually understood in terms of tenure mix. This approach has been set against the legacy of large-scale “mono-tenure” housing estates that were built in the postwar era and often became concentrations of deprivation and violence (Coleman, 1985; Murie, 2009). Creating “mixed communities” has therefore been a main goal of both the London Plan and the LHS, requiring new housing developments to contain a mix of market, intermediate, and social rented housing. The Strategy envisions social mix to take place in two ways: by introducing affordable housing in areas formerly dominated by market housing for middle- and high-income households; and by regenerating existing social-housing estates, mostly in low-income or deprived areas, and developing market-priced and intermediate housing within them (GLA, 2010, pp. 16–17).

Available data show that the social mix policy—combining affordable housing with market-priced housing units—has taken hold and is producing change on the ground. In 2007/2008, nearly 80 per cent of recently approved housing schemes and 40 per cent of newly completed housing in London included between 25 and 75 per cent affordable housing, and only about 5 per cent provided no affordable housing at all (GLA, 2009, p. 57). Between 1998 and 2008, new social rented housing built in the highest deprivation areas in London decreased from about 35 to 20 per cent, although hardly any new social housing was built in the lowest deprivation areas; at the same time, new social housing more than doubled in new residential areas, mostly on brownfields, from less than 20 per cent in 1998 to more than 40 per cent in 2008. The geography of new affordable housing has thus changed in response to both the “mixed communities” agenda and brownfield and density targets, concentrating in new residential areas and urban regeneration areas (Crook & Whitehead, 2011, p. 8; appendices, p. 75).
However, studies regarding the implementation and the actual benefits of the social mix policy in London raise several concerns. We present some of the authors’ points of criticism below and further discuss these concerns in the last section of this paper.

- There is concern that the current wave of policy-led regeneration in London, particularly plans to redevelop existing large-scale social housing as mixed-income communities, “is liable to undo the relatively large safety net of social housing in the capital that…mitigates against the growth of the truly excluded” (Imrie et al., 2009, pp. 14–15). Regeneration in the form of demolition and redevelopment is seen to have such effect because it replaces some parts of affordable social housing units with more expensive intermediate or market units, and also because oftentimes it breaks social ties of incumbent residents.

- Researchers also raise concerns over “state-led gentrification” of housing estates and their neighboring areas, leading to displacement of poor households (Watt, 2009, p. 232). This is particularly the case in large-scale redevelopment in desirable locations, such as along the Thames, where, despite affordable housing requirements, recent development has had an “upgrading effect” on the area’s social composition and has gentrified much of the waterfront (Davidson & Lees, 2005).

- Concerning the reality of “mixing” on the ground, Murie & Rowlands (2008, pp. 652–653) reported that developers frequently prefer not to include social rented housing within their projects, and regularly present proposals for offsite provision. Others, too, are concerned with the localized effects of “mixing,” including examples of architectural segregation between tenure types, where market-rate developments are separated from affordable housing and adjacent communities (Tiesdell, 2004; Tunstall, 2003).

- Thus, the pattern of mix produced in London is described as “broad social and income mix but microspatial polarization” (Murie & Rowlands, 2008, pp. 657–658), or as what Atkinson (2006, p. 176) has termed “micro-geographies of segregation” in which “the creation of apparent wider neighbourhood diversity may conceal the hyper-segregation of rich and poor.”

The analysis of London’s recent housing plans therefore demonstrates the concern of its policy-makers vis-à-vis its housing affordability problems. Yet these policies are shaped within a neoliberal environment aligned with the market and the requirements of around-and above-median-income households, rather than the needs of lower-income populations. Market prices increasingly rule even the social rented sector, further limiting options available for poor and moderate-income households in London. Concomitantly, the “mixed communities” agenda that shapes current housing policy and is expected to be beneficial to less-advantageous parts of society has been widely implemented—yet concerns are raised as to its effects on the ground. These issues will be further elaborated in the discussion section.

3. Recent Housing Plans in New York

New York’s problems of housing affordability have grown in severity in the last decades, not least due to its position as the preeminent global city, alongside London; hence, “real estate prices at the center on New York City are more connected to prices in central
London…than to the overall real estate market in New York’s metropolitan area” (Sassen, 2012, p. 10). The City has a distinct and diverse housing market with 3.5 million households, 31 per cent homeowners and 69 per cent renters, and a very low 3.1 per cent vacancy rate (Wambua, 2013). Average house price increased by 173 per cent during the real estate boom of 1996–2006; even though it dropped by 25 per cent in the next six years, it remained unaffordable for many (Global Property Guide, 2012). While the inflation-adjusted median household income in the city remained essentially unchanged between 1970 and 2009, the median rent almost doubled. In 2009, nearly half of New York renters paid more than 30 per cent of their household income on rent (compared to 41 per cent of renters in 2000 and 28.5 per cent in 1970); slightly more than a quarter of renters paid more than half of their income on rent (Furman Center, 2011, pp. 11–12). Low-income renters were further marginalized in the “tight” market of the 2000s, as many properties were removed from the Federally assisted private housing stock, mostly as a result of “owner terminations,” while decontrolled rents eroded the affordable housing stock in gentrifying areas (DeFilippis & Wyly, 2008; Wyly & DeFilippis, 2010). Affordability has become a concern not only for low-income renters but also for median-income households in New York: only 43 per cent of market rate rental units in 2009 and just 6 per cent of home sales were affordable, i.e., required less than 30 per cent of median household income (Furman Center, 2011, pp. 11–12).

For decades, New York has confronted issues of housing provision and management for its less affluent residents, and these have intensified in the neoliberal era. During the combined financial and urban crisis of the 1970s, with the flight to the suburbs at its height, New York lost over 800 000 residents and entire neighborhoods were devastated by abandonment and arson. By 1979, the City had taken ownership through tax foreclosure of over 100 000 units, the majority in vacant buildings (Braconi, 1999). The housing situation aggravated when the Reagan Administration in the 1980s cut Federal subsidies for public housing and rehabilitation of inner cities.

3.1 Who are the Beneficiaries of Affordable Housing Plans in New York?

Against this background, Edward Koch—who was elected Mayor of New York City in 1978, claiming to “speak for the middle class” (Fainstein, 2010, p. 93)—announced, in 1986, a “Ten Year Housing Plan.” This was a large-scale public–private–civic initiative, which was actually a package of about a hundred different programs, many of which had already been on the city agenda but were repacked for presentation as part of the large Plan (Furman Center, 2006). Some programs relied exclusively on City funding, but many combined City funds with Federal Low-Income Housing Tax Credit and/or market-rate loans from banks (Schwartz, 1999). The degree to which City authorities relied on nonprofit versus for-profit partnerships shifted up and down in the discussed period, but gradually they became increasingly dependent on the private market and private developers for the provision of housing (Harloe et al., 1992, pp. 194–195). The Ten Year Plan continued to be implemented under three mayors: Koch, Dinkins, and Giuliani (Schwartz, 1999). Studies reported that the plan succeeded in achieving its main goal, with a considerable increase in the supply of affordable housing (Furman Center, 2006); it also helped in creating mixed-income neighborhoods, transforming and stabilizing communities, reducing vacant lots and housing units, and reducing welfare rolls and violent crime (Schill et al., 2002; Schwartz, 1999).
Despite the plan’s accomplishments, New York’s housing problems remained acute in the 2000s. Affordability was aggravated by sharp decrease in Federal housing support, particularly new “Section 8” subsidies, as well as by expiring affordability restrictions on rented apartments built by private developers. At the same time, demand for housing in New York was growing as a result of its prominence as a global city that attracted large numbers of in-migrants, both highly paid professional and managerial workforce and low-paid personal service workers.

In response to increased public concerns with housing affordability, Mayor Michael Bloomberg, who was elected in 2002, declared his intention to strengthen New York’s position as “a global leader in affordable housing” (New York City Department of Housing Preservation and Development (NYC-HPD), 2010, no page). This was to be achieved through a new ten-year plan (2004–2013), named the NHMP. The plan is managed by the City’s Department of Housing Preservation and Development (HPD), the largest municipal “developer” of affordable housing in the USA, with an annual budget of $1.2 billion. HPD sees its role as “encouraging public–private partnerships that make the most of government dollars to create or preserve quality, affordable housing” (Wambua, 2013).

Table 2 compares a few aspects of the NHMP, as originally announced in a policy statement (NYC-HPD, 2006), with the former Ten Year Plan, as analyzed by Schwartz (1999). While the total number of assisted housing units is similar, the budget allocated for the new plan is higher—$8.5 billion compared to $5.1 billion (nominal terms). This increase is partly explained by the difference in the share of new construction: 33 per cent in the new plan compared with 10 per cent in the former plan. The larger share of new construction was a necessity because the supply of “in rem” city-owned land and buildings had been largely depleted by the early 2000s. Yet, most of the new housing units, unlike the rehabilitated housing units, were market-priced units to be occupied by higher-income households.

### Table 2. Affordable housing plans in New York City

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<th>New Housing Marketplace Plan</th>
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<td>Mayors:</td>
<td>Koch, Dinkins, Giuliani</td>
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<td>Budget (nominal $)</td>
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<td>$8.5 billion</td>
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<tr>
<td>Housing units (rounded numbers)</td>
<td>150,000 (100 per cent)</td>
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<td>New construction</td>
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<td>Rehabilitation and preservation</td>
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<td>For households earning up to 50 per cent of AMI</td>
<td>63 per cent&lt;sup&gt;c&lt;/sup&gt;</td>
<td>68 per cent (for up to 80 per cent of AMI)</td>
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<td>For households earning 50–80 per cent of AMI</td>
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<td>68 per cent (for up to 80 per cent of AMI)</td>
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<td>For households earning above 80 per cent of AMI</td>
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<td>32 per cent</td>
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<sup>a</sup>The US Consumer Price Index added ≈ 50 per cent to its value between 1993 and 2010.

<sup>b</sup>AMI, New York Metropolitan Area’s Median Family Income.

<sup>c</sup>Including homeless.
residents. Because new construction is almost always more expensive than second-hand housing units, the larger share of new construction in the NHMP has an impact on the distribution of beneficiaries as compared to the former plan.

The most striking difference between the Ten Year Plan and the NHMP is in the target populations for affordable housing. First, the very definition of the target populations changed. In the former plan, low income was defined as less than 50 per cent of the New York Metropolitan Area Median Income (AMI) and moderate income as 50–79 per cent of the median (Schwartz, 1999, p. 845). In the new plan, both these groups are defined as low-income households. Households earning 80–119 per cent of the AMI used to be defined as middle income, while currently they are considered moderate income, whereas middle income now starts over 120 per cent, corresponding to the seventh income decile (NYC-HPD, 2006). Second, as the table shows, the distribution of beneficiaries considerably changed: the implemented Ten Year Plan directed just 8.8 per cent of the units it provided to those earning above 80 per cent of the AMI (although its initial stated goals were more advantageous to middle-income households), while Bloomberg’s NHMP initially allocated a third of the planned units to this middle-income group. Following the 2007–2008 “sub-prime mortgage” crisis and the changed housing market, the NHMP was revised in 2010; its renewed “affordability breakdown” designated a smaller proportion, 21 per cent of the affordable units, for households above 80 per cent of the AMI (NYC-HPD, 2010, p. 27).

A recent report of the Association for Neighborhood and Housing Development (ANHD), which studied NHMP implementation in the three years 2009–2011, found that about two-thirds of the units provided through the plan were too expensive for the majority of local neighborhood residents. Only about 8 per cent of the units supported by the City were for households that earned up to 40 per cent of the AMI, even though that income group represents a third of all New York City households (Jaffe, 2013).

Moreover, both the Ten Year Plan and the NHMP did not sufficiently address the issue of the long-term sustainability of affordable housing for low-income renters. The overwhelming majority of the units developed under the plans remain affordable only for the length of the subsidized financing, which typically lasts up to 30 years. According to ANHD, 294,400 units were created or preserved with City subsidy (amounting to approximately $7.64 billion) over a 20-year period (1987–2007) that covers both the Ten Year Plan and the first four years of the NHMP. Yet 169,500 of these units may be at-risk of losing their affordability from 2017 onwards, due to either expiring affordability restrictions or physical deterioration. Even though the NHMP includes preservation procedures that involve strategies to prevent subsidized housing from being converted to market-rate occupancy, the number of at-risk units closely parallels what is intended to be created or preserved under the NHMP (ANHD, 2010).

Thus, the NHMP signifies both continuation and diversion from former housing policies in New York. While the dependence on the private market for the provision of affordable housing continues, the tendency toward supporting middle-income households (earning around the median income and above) has significantly increased.

3.2 Promoting Mixed-Income Affordable Housing in New York

Following the “rediscovery” of concentrated poverty in urban areas and its negative impacts, US housing policies sought to “deconcentrate” poverty mainly by creating
mixed-income residential areas. This concept guided the operation of major public programs in the 1990s and early 2000s, first and foremost the Federal HOPE IV program for the demolition of severely deteriorated public housing projects and their reconstruction as mixed-income neighborhoods (Crump, 2003; Goetz, 2003; Popkin et al., 2004). The idea of deconcentrating poverty also guides the current version of the tenant-based program for Housing Choice Vouchers, a major Federal program assisting low-income families to lease decent housing in the private market, “outside areas of poverty or minority concentration” (HUD, 2001, pp. 1–2). It also informed Inclusionary Zoning and Housing programs, which used the regulatory planning systems to require developers or provide incentives to include subsidized affordable units in new housing projects (Calavita & Mallach, 2010; Schuetz et al., 2009). The rationale for inclusionary, mixed-income housing is based, on the one hand, on the expected profits for developers from the supply of market-priced units for higher-income households, and on the other hand, on a list of expected benefits to lower-income residents who occupy the subsidized units in such projects (Brophy & Smith, 1997; Galster, 2007).

In New York, while the chief purpose of the Ten Year Plan was clearly to address the shortage of affordable housing in the city, it also focused on neighborhood revitalization. In this framework, it promoted mixed-income developments, using Federal programs and adding on to them. Of the plan’s approximately 100 individual programs, most were aimed at mixing income groups: most of the rental programs set aside 10–30 per cent of the units for formerly homeless families, while reserving other units for a mix of low- and moderate-income households earning up to 80 per cent of the AMI; homeownership programs typically targeted households earning up to the median income (Schwartz, 1999; Schill et al., 2002).

The NHMP is similarly a patchwork of City and Federal programs, many of which predate the plan itself and mostly intended to create mixed-income housing. They include (a) Inclusionary Zoning, generating 6300 new affordable units in rezoned residential areas across the city (NYC-HPD, 2010, p. 2); (b) the Inclusionary Housing Program, providing additional floor area for multiple-unit developments in return for “new construction, substantial rehabilitation, or preservation of permanently affordable housing” either onsite or offsite (NYC-HPD, 2011a); (c) the Cornerstone Program, designed to facilitate the construction of mixed-income multifamily housing on City-owned land, with preference given for projects that provide “the greatest mix of affordability using the least amount of subsidy”; overall, 51 sites were awarded, providing over 4000 new homes (NYC-HPD, 2011b); (d) the 80/20 Program that allocates tax-exempt bonds to projects in “generally desirable locations throughout the city” in which 20 per cent of the units are reserved for low-income tenants earning no more than 50 per cent of AMI; more than 20 000 rental apartments have been built under this program over the years, 4200 of them reserved for affordable housing, mostly in Manhattan—where without the incentives it affords, it would be nearly impossible to build new large-scale rental buildings (NYC-HPD, 2011c; Santora, 2011); (e) the 421(a) Property Tax Exemption Program that facilitates new construction of multiple dwellings for rent on predominantly vacant lots; the program delineates a “geographical exclusion area”—including all of Manhattan and waterfront or gentrifying areas in other boroughs—where buildings are not eligible for tax exemption unless they contain 20 per cent of affordable units (NYC-HPD, 2011d). All of these mixed-income developments have been expected to house, among others, voucher recipients moving out of poverty concentrations.

These various programs, which create mixed-income housing as part of affordable housing initiatives, raise several concerns by researchers and affordable housing advocates.
Available data are unclear as to the effects of mixed-income projects vis-à-vis the stated objectives of poverty deconcentration. A mapped analysis of the location of units funded by the NHMP between 2004 and 2007 revealed notable differences between programs enacted in each of New York’s boroughs—particularly in new construction versus preservation—suggesting that affordable housing remains spatially concentrated (New York City Independent Budget Office, 2007). Wyly & DeFilippis’ (2010) mapping of differentiated forms of housing subsidy in New York reveals a “proliferation of different low-income communities” next to “enclaves of middle- and upper-class public [subsidized] housing”—whose juxtaposition leads to “intensified struggles over affordability” (Wyly & DeFilippis, 2010, p. 76).

Researchers also raise concerns whether the projects under discussion have stabilized mixed neighborhoods or, quite to the contrary, accelerated processes of gentrification and displacement (Newman & Wyly, 2006). Angotti (2008, p. 54) claims that programs “that link the fate of low-income and market-rate housing can pave way to gentrification and displacement” because new construction that is mostly market-rate raises property values and rents, “spurring the displacement of existing affordable housing.” Indeed, Freeman & Braconi (2004) argue that “some degree of gentrification can occur without massive and rapid displacement of disadvantaged households”; yet they also found that the average rent burden for poor households living in gentrifying neighborhoods in New York was 61 per cent of their income, and in the long run, gentrification “could result in a gradual shrinking of the pool of low-cost housing available in a metropolitan area” (Freeman & Braconi, 2004, pp. 50–51).

Recent policy changes in New York seem to reflect concerns regarding the desirable pattern of mix within mixed-income projects. Until 2008, developers were not required to build market-rate apartments and affordable units in the same building, and they tended to locate the latter separately, often in the outer boroughs. In 2008, however, a change in City regulations (421a tax exemption program) made it almost impossible for developers to sequester the affordable units elsewhere. They were also required to spread the affordable units throughout the building, so as not to internally segregate low-income renters, and provide them with access to common space and an equitable distribution of views. Since then, dozens of “80/20” projects were built, “in which people from both extremes of the income scale live across the hall from one another” (Santora, 2011). Such “micro-mixing” of different income groups within the same building—enacted to benefit the lower-income households—has potential drawbacks, which are addressed in our discussion.

The implementation of mixed-income housing involves problems of selectivity and social exclusion. Residents of affordable units in newly constructed projects are usually required to undergo a screening process far more rigorous than that of market-rate tenants, and are sometimes subject to “home visits” and other forms of inspection. 18

This overview of New York’s housing policies discloses a gradual change since the neoliberal turn of the 1980s: from mainly public management of the supply of subsidized housing to mainly public–private initiatives, and from targeting low- and moderate-
income households to targeting households closer to the metropolitan median income and above it. The recent NHMP goes further than the former Ten Year Plan in the provision of affordable housing through the private market and in directing programs to higher-income groups. Moreover, the mixed-income housing policy, which has been enacted with the affordable housing plans, raises concerns regarding its costs and benefits, especially from the point of view of the less affluent residents. These issues will be further discussed next.

4. Discussion and Implications for Housing Policy

Our analysis shows that both London and New York have developed in recent years elaborate affordable housing policies, designed by their business-friendly city governments. These policies are part of a wider, longer shift. Whereas in the postwar era, national governments tried to decommodify at least part of the housing market through redistributive measures, currently, neoliberal city governments are supporting their housing markets in order to maximize their city’s competitiveness and growth. By promoting marketplace solutions, which tend to benefit higher-income residents, they increase inequity in cities. Our concern, in the following discussion, is with housing policies that contribute to socio-economic disparities to a point that may exclude low-income households from these cities. This concern is grounded in the view that enhancing social equity—which includes affordable housing for less affluent residents—is not only a moral decree but also an essential condition for sustainable economic growth, at least in democratic regimes, as macro-economic analyses had shown (Persson & Tabellini, 1994; Carmon, 2013).

Despite historical, political, and institutional differences in housing arrangements between London and New York, there are some important similarities in their contemporary neoliberal housing policies. In both cities, much of the supply of affordable housing is being turned into a niche in the private real estate market, while simultaneously shifting city resources toward assisting households around and above the median income. In New York, households earning 80–120 per cent of the median income were defined by the NHMP (2004–2013) as “moderate income,” and hence, as eligible for affordable housing; as much as 32% of affordable housing was allocated to this actually middle-income group, compared with only 9% in the earlier Ten Year Plan (1986–1997) (see Table 2). A similar trend was exposed in London, which went even further by introducing the new category of “intermediate housing”; in the earlier London Plan (2004–2008), households with 50–125 per cent of London’s median income were eligible to intermediate housing, while in the LHS (2008–2012), the eligibility criteria included households earning 60–200 per cent of the city median income. In both London plans, 40–45 per cent of the affordable housing units were allocated to this middle–high-income group (see Table 1).

Indeed, we can see several justifications to these cities’ tendency to partner with the marketplace and attend to the housing needs of their middle-class residents. First, due to rapidly rising housing prices, both cities are concerned with losing middle-income residents—especially educated young professionals and their families, along with “key workers” in public services. Second, the new affordable housing policies help turn the discussion on housing assistance from a marginal, often stigmatized issue, into a widely debated, mainstream topic; this is evidenced by the discourses of the popular mayors, Johnson in London and Bloomberg in New York. 19 Third, partnering with the private
sector to provide affordable housing could be beneficial where it increases the overall investment and creates new advocates and funders for affordable housing in an era of public deficits and fiscal austerity. Fourth, a large share of affordable housing is currently produced through the land-use planning system (especially in London; Whitehead, 2007), thereby institutionalizing new public tools for housing support. Lastly, after decades in which public funding for housing was not only downsized but also directed largely to demand-side, “tenant-based” solutions (i.e., subsidized rents), the new policies bring a renewed engagement with supply-side, “project-based” solutions, which add affordable housing for ownership and rent. Thus, we acknowledge the rationale for responding to the housing needs of middle-income populations through new market and public tools, but only if this does not come at the expense of the limited housing supply for the most-in-need residents.

Another similarity we stress between the affordable housing plans of London and New York is their emphasis on promoting socially diverse residential areas. In recent decades, affordable housing policies became strongly interwoven with social mix and inclusionary housing policies—through the explicit wish to prevent poverty concentration and social exclusion associated with deteriorated housing “estates” and “projects,” on the one hand, and the privileged concentration of the rich, on the other. This can be observed in the discourse and the actual policy performance of the two cities. Moreover, in both contexts, the social mix agenda seeks to align governmental intervention intended to reduce social disparities with market incentives and developers’ interests. The popularity of the mix agenda could be partly explained in that it seems to serve both the declared public interest of social inclusion and private developers’ motivations to build mixed-income projects, through which they might receive public subsidy for building not only for low-income households but also for the middle-class households.

However, the literature reviewed above suggests that contemporary housing policies in the two cities seem to modify patterns and scales of segregation rather than decrease its overall level. There is evidence of a change from a clear-cut pattern of large-scale segregation, differentiating whole areas or neighborhoods, to a more fragmented pattern, in which clusters of subsidized housing units are located next to clusters of higher-standard, market-price units. Several researchers view this spatial pattern negatively as “micro-geographies of segregation” (Atkinson, 2006, p. 176) or “broad social and income mix but micro-spatial polarization” (Murie & Rowlands, 2008, pp. 657–658).

We suggest a different view of this socio-spatial pattern of homogeneous clusters within heterogeneous urban residential quarters, based on longstanding sociological research into urban social life. Gans (1961, p. 176) thus wrote that “homogeneity of background or of interests or values is necessary . . . to develop into anything more than a polite exchange of greetings.” Bourdieu (1999, p. 128) warns against “the belief that bringing together in the same physical space agents who are far apart in social space might, in itself, bring them closer socially. In fact, socially distanced people find nothing more intolerable than physical proximity.” These statements are in line with findings of numerous empirical studies, leading to the conclusion that social mix in the form of “pepper-potting” disrupts support networks that are vital for disadvantaged populations (Briggs, 1997; Joseph, 2006) and exacerbates potential conflicts between residents with different lifestyles (Goodchild & Cole, 2001). In the same spirit, Carmon (2007) found that socially homogeneous housing blocks within a heterogeneous urban area enabled the development of beneficial social capital: it facilitated bonding social capital that is needed to “get-by” in daily life,
both within the disadvantaged group and within the better-offs, each in its cluster; at the same time, it supported bridging social capital that is requested to “get ahead” in life (Briggs, 2004), i.e., it enabled social bridges between residents of different socio-economic status who meet each other through shared social and commercial services. This suggests that socio-spatial changes that bring about a decline in macro-segregation, while allowing for homogeneous micro clusters within bigger areas of mixed-income/tenure housing, constitute a socially beneficial process.

However, one of the unintended consequences of promoting social mix through new affordable housing developments could be a process of gentrification leading to displacement of less-affluent residents. Many authors have already documented and analyzed gentrification and displacement in global cities like London and New York (Butler & Robson, 2003; Butler et al., 2013; Hamnett, 2003b; Harloe et al., 1992; Savage et al., 2005; Smith, 2002). Gentrification has been described as a coping strategy of the middle class in global cities, seeking affordable housing in traditionally working-class neighborhoods through the second-hand housing market. But oftentimes, new construction of mixed-income houses, particularly when it follows demolition of large-scale housing projects, can also play a significant role: by introducing higher-income households to previously poor residential areas and their surroundings (including “brownfield” areas), it could gradually displace poor incumbent residents who cannot pay higher rents or shop in new stores. Under such circumstances, “social mix is but a transitory phenomenon on the way to complete gentrification” (Bridge et al., 2012, p. 7). Hence, promoting social mix through affordable housing is recommended to the degree that deliberate measures can be put in place to ensure that the introduction of higher-standard housing and middle-class residents into lower-income residential areas does not cause continuous displacement of less affluent households.

Other measures could also contribute to increase the availability of affordable housing for low- and moderate-income households. Our analysis in this paper along with lessons we draw from previous studies point at one such measure: assigning priority to upgrading older urban fabrics and housing stock, potentially also adding housing units within them, over investing in demolition and redevelopment. In New York, which included large-scale upgrading plans within its supply of affordable housing, the data showed that the main beneficiaries of housing upgrading programs are less affluent populations, while the main customers of mixed-income new developments are higher-income groups. A particularly recommended method for rehabilitation and densification of the older stock is user-controlled upgrading by home-owners and small proprietors of both low-rise and middle-rise residential buildings, which could carry significant benefits to the participants and their cities without imposing intolerable financial burdens on the public sector (see Carmon, 2002).

We conclude by suggesting that our analysis and discussion of recent affordable housing plans in London and New York—the policy trends that we have highlighted in them, as well as the lessons we draw from them—are increasingly relevant to other global and globalizing cities (such as those mentioned in the introduction). Despite differences in scale, social composition, government structure, political culture, and historical trajectories of their housing policies, many of the global cities of the “North” face a growing housing affordability “crisis.” They also resemble each other—and diverge from other cities in their own countries—in the neoliberal repertoire of policies they apply to their “unaffordable” housing markets (for case studies and comparisons, see Calavita &
Mallach, 2010; Dodson, 2006; Paris, 2007). This repertoire, which includes increased reliance on market solutions and affordable housing provision by the private sector in return for financial and/or planning benefits, may be partially attributed to processes of policy mobility (see McCann & Ward, 2011; Peck & Theodore, 2010). Moreover, concerns of affordability, alongside new policies to provide affordable housing, seem to reach beyond the major cities of North America, Europe, and Australia to large cities in the “global South,” in East Asia (Chiu, 2007), India (Mukhija, 2004), Latin America (Trevisani, 2012), and South Africa (Lemanski, 2007; Turok, 2011).

Considering such similarities in both housing affordability problems and solutions, the latest plans of London and New York may be especially important to our understanding of contemporary shifts in housing policy—in several ways. First, as we have shown, these two cities have taken on the issue of affordable housing with an intensity and even enthusiasm, which manifest its renewed importance in urban policy-making and politics. Second, as cities which have long been at the forefront of neoliberalism and globalization, their latest housing strategies may signal an emerging approach to affordability as part of a “neoliberal urbanism redux” (Peck et al., 2013) or “late neoliberalism” (Rolnik, 2013). They are also globally positioned to serve as learning examples and “best policy” nodes for many other cities facing similar affordability issues. Finally, while we have highlighted commonalities between the cities—particularly, the provision of affordability within the marketplace and its tie-in to the promotion of social mix—there are also important differences in their policy prescriptions and tools. Such variations not only serve to uncover the currently available affordable housing toolbox within the “spectrum” of neoliberal urbanism, but also enable a comparative critique—opening up to other policy possibilities, which cities may experiment with and implement within their own specific contexts. With this in mind, our analysis of the contemporary plans of affordable housing of London and New York is offered not only as a review of a specific repertoire of ideas and instruments but also as a call for caution.

Acknowledgements

Nathan Marom thanks the Lady Davis Fellowship Trust for a post-doctoral fellowship at the Center for Urban and Regional Studies, Technion, that allowed the accomplishment of this research. The authors acknowledge the help of Rachelle Alterman, who shared her knowledge of affordable housing policies, and Alan Mallach, who read an early draft of the article and provided helpful comments. The authors also thank the editor and three reviewers for their important comments and suggestions.

Notes

1 For a discussion of different definitions of affordability, see Bramley (2006).
2 Unless otherwise stated, we use “New York” throughout this article to refer to “New York City.”
3 In 2009, the average house price in London was nearly £300,000, compared to £200,000 for the UK. By late 2013, it was £438,000, 175% higher than the England average of £248,000 (GLA, 2009, p. 11; GLA, 2013, p. 8).
4 The grant available for housing associations to provide social rented homes was reduced from an initial 100% of capital cost to an average of 60% in 1988, and then to an average of 30% in 2000 (Bowie, 2010).
5 Social housing waiting lists nearly doubled in a decade: in 2008, over 350,000 households, almost 10% of the total in London, were on local authority waiting lists (GLA, 2009, pp. 22–23).
6 In England, the share of intermediate market homes within new affordable housing supply increased significantly, from only 13% in 1991/1992 to 41% by 2008/2009 (Crook & Whitehead, 2011, p. 6).
Most intermediate market home purchasers in England came from outside the social rented sector, over 90% were in work, and only 6% had children. The proportion of existing social rent tenants who purchased intermediate housing fell from 22% in 2002 to 6% in 2009, probably reflecting rising costs (Crook & Whitehead, 2011, p. 7).

Previously, more than half the cost of building social housing was met from government capital grants, but under the new policy this will drop to 10–20 per cent; the average amount of government funds provided toward the cost of each social home in London will be cut from £115 000 to around £30 000 (Hill, 2011).

“Providers will be expected to deliver a range of rents across their development proposals”; yet, “it is expected that most will be let at, or close to, the 80% limit” (Homes and Communities Agency, 2011, p. 47).

Similarly, research on the early impacts of the LHA reforms (Department for Work and Pensions, 2013) shows far more marked impact on the London housing market than elsewhere in the UK, with the number of new LHA claimants reduced most sharply in London’s central areas.

London was more successful in “mixing” than the rest of the country. In England, between 1998 and 2008, about a third of all new social rented homes were constructed in the most deprived areas, whereas a decreasing share was constructed in more affluent areas. At the same time, a growing share, from 15% to 42% of all new social rented homes, was constructed in new residential areas (Crook & Whitehead, 2011, p. 31).

The LHS 2013 revision states that over 100 estate regeneration projects are underway across the capital and will include over 35 000 new and re-provided homes over the next 10–15 years. A sample of the largest projects suggests that over 20 000 homes could be built over the next 15 years, out of which approximately 15 000 (75%) would be private sale homes (GLA, 2013, p. 41).

The median sale price for a home in New York at the end of 2012 was $786 000 ($1 370 000 in Manhattan), compared with $257 000 in the USA as a whole (Pereira, 2012).

The New York City Housing Authority was established in 1934 as a public corporation with a charter to build, acquire, and operate housing for low-income households (Marcuse, 1986) and has been active since then.

Of the nearly 85 000 new units (new construction and “gut rehabilitation”), approximately 40% were planned for middle-income tenants, 20% for moderate-income, 20% for low-income, and 19% were set aside for the homeless (Harloe et al., 1992, pp. 195–196).

While this paper was under review, Mr Bill de Blasio, the new Mayor of New York City, announced his ambitious plan to build or preserve 200 000 affordable units in 10 years. One of the far-reaching elements in this plan is to require builders of new affordable units in rezoned areas to keep those units as “forever affordable” (New York Times, May 5, 2014).

Diversity in residential areas is defined in the London Strategy (and in the UK planning policy) in terms of “tenure mix,” whereas New York’s NHMP (and the US planning policy) refers to “mixed-income housing.” Despite this difference in terminology, our reading of the relevant literature suggests that “tenure mix” in London and “mixed-income housing” in New York are directed at similar goals: reducing the social exclusion and spatial segregation of disadvantaged residents. The different terms are related to the difference in the distribution of housing tenures in the two countries. In the 1970s, when these policies became common in the public discourse, public rented residences constituted close to a third of all housing units in the UK, and the clear trend was toward growing disparities between the income and living standards of their tenants and all the rest (Harloe, 1990); therefore, tenure mix was considered as a solution to social exclusion. In the USA of the same time, where public housing constituted just 1.5% of the housing stock, concentrations of poverty were found mainly in the inner city, while the suburbs were almost “clean” of poor residents (Wilson, 1987); hence, mixed-income areas of residence were suggested as a solution.

Competition for the units is fierce: according to city officials, there are as many as 100 applications for each available apartment, and 60% of applicants fail to qualify from the outset (Santora, 2011).

Thus, in the run up to the May 2008 mayoral elections in London, both candidates—Johnson and Livingstone—published housing manifestos, which put the issue of affordability at the center of their campaign (Bowie, 2010), as did Bloomberg in his three election bids in New York.

This is supported by both policy and research. The US National Commission on Severely Distressed Public Housing (1992) recommended preservation of existing stock over demolition and redevelopment. Empirical studies such as the longitudinal research of public housing in Boston by...
Vale (2002) supported improvement and renovation of existing housing and argued against demolition and redevelopment. Demolition often destroys more low-income housing units than the redevelopment provides, at least on the sites of the old housing, in addition to hurting households and communities, for which Goetz (2013) provides many examples.

This method seems especially relevant to the recent housing plan announced by New York Mayor Bill de Blasio, which promotes housing densification as a way to increase affordable housing supply. A viable regulatory reform that enables user-controlled densification without displacement (TAMA 38) is currently being implemented in the globalizing city of Tel Aviv and other large cities in Israel. It is analyzed in forthcoming papers by Shlomo Angel (NYU) and Naomi Carmon (Technion).

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