

2003 Income and Affordability Study

April 25, 2003

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2003 Income and Affordability Study

what's new

- ✓ New York City's economy shrunk by 2.2% in 2002, compared to 0.3% in 2001.
- ✓ The City lost 117,500 jobs in 2002, representing a 3.18% decline from 2001 in the number employed.
- ✓ The unemployment rate increased to 7.9% last year, up from 6.1% in 2001.
- ✓ Manhattan saw the largest jump of the boroughs in its unemployment rate, increasing from 6.0% to 8.2% last year.
- ✓ Inflation averaged 2.6% in the metro area in 2002, up slightly from 2.5% in the prior year.
- ✓ Inflation-adjusted wages increased 3.0% in 2002, compared to 6.0% in 2001.
- ✓ The citywide vacancy rate was 2.94% in 2002.
- ✓ As of March 2003, 38,254 homeless people were staying in municipal shelters, up 16.5% from March, 2002.
- ✓ The average number of families temporarily sheltered each night increased 24.0%, to 9,242 in March 2003, compared to a year earlier.
- ✓ The number of non-payment filings in Housing Court increased 19.4% in 2002, to 331,309.

Introduction

Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board (RGB) to consider “relevant data from the current and projected cost of living indices” and permits consideration of other measures of housing affordability in its deliberations. To assist the Board in meeting this obligation, the RGB research staff produces an annual *Income and Affordability Study*, which reports on housing affordability and tenant income in New York City's rental market. The study highlights year-to-year changes in many of the major economic factors affecting New York City's tenant population and takes into consideration a broad range of market forces and public policies affecting housing affordability. Such factors include New York City's overall economic condition—unemployment rate, wages, Consumer Price Index and Gross City Product—as well as the number of eviction proceedings and the impact of welfare reform and federal housing policies on rents and incomes.

This year's study benefits from newly released data compiled by the U.S. Census Bureau in its 2002 NYC Housing and Vacancy Survey (HVS), the twelfth such survey since 1965. Of particular importance to the *Income and Affordability Study* is HVS data regarding household income and rental payments, which allows us to estimate housing affordability.

Summary

After experiencing the grief of the events of September 11th, 2001, New York City continued to feel the pain of ground zero recovery and of a second year of recession in 2002. A 2.2% decline in the City's Gross City Product indicates that NYC remains in a recession. The unemployment rate increased, climbing 1.8 percentage points to 7.9%. New Housing and Vacancy Survey data revealed that the vacancy rate remains well below the 5% threshold, at 2.94% citywide. Despite the poor economy, the number of persons receiving public assistance fell again this year. In addition, homelessness grew to record numbers, especially among families, and non-payment filings in Housing Court increased significantly.

Economic Conditions

The City's economy remained mired in a recession for a second straight year in 2002. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, contracted by 2.2% in 2002, after falling 0.3% in 2001. Prior to the current recession, the last time GCP declined was in 1991. By contrast, the GCP increased at an annualized rate of 4.3% from 1994 through 2000. The United States economy, in contrast, saw the Gross Domestic Product (GDP) increase 2.4% in 2002, compared to a 0.3% increase in the prior year.

The Consumer Price Index (CPI), which measures the change in cost of typical household goods, increased at a slightly higher rate in 2002 (2.6%) than in 2001 (2.5%) in the NYC metropolitan area. By contrast, the U.S. CPI for urban consumers increased at a lower rate this year, up 1.6% in 2002 versus 2.8% in 2001. This is the first year since 1992 that the NYC CPI increase exceeded the U.S. CPI increase.¹

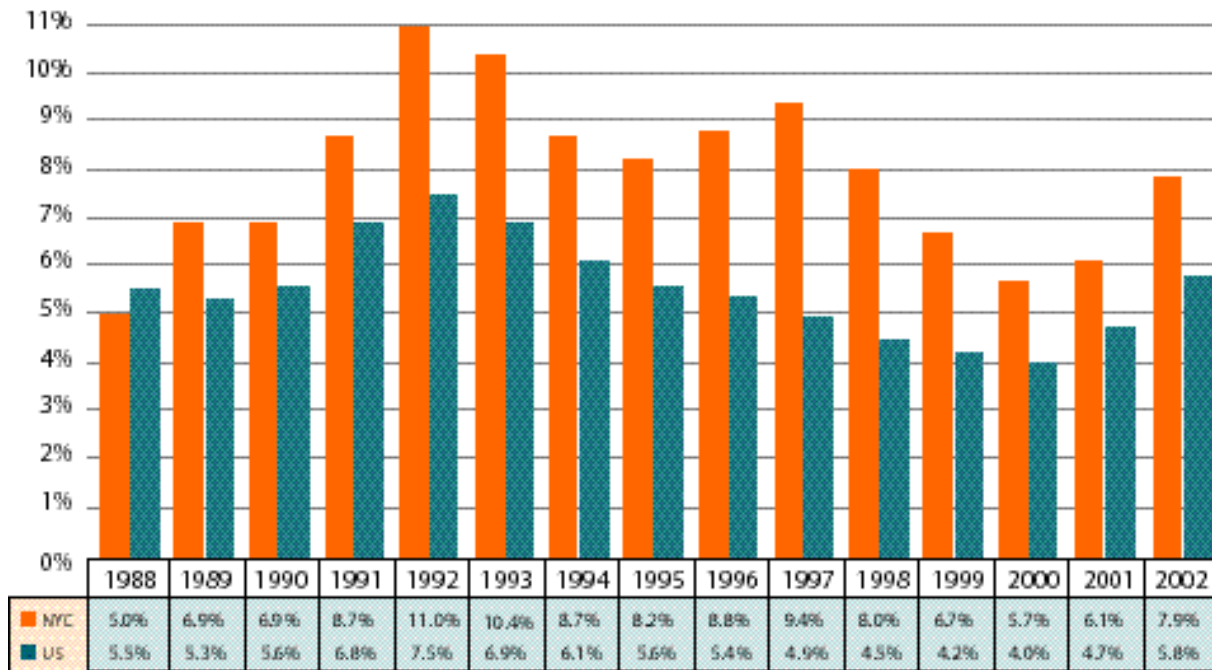
NYC's unemployment rate has deteriorated over the past year. The annual NYC unemployment rate increased by 1.8 percentage points, from 6.1% in 2001 to 7.9% in 2002. After falling to its lowest level in over a decade in 2000, the city's unemployment rate is now the highest since 1998. Similarly, the U.S. unemployment rate increased to 5.8% in 2002, up from 4.7% in 2001. The discrepancy between the NYC and nationwide rates began to grow again in 2002, after falling the prior year to the smallest difference since 1990. (See graph below and Appendix 1.)

Moving into 2003, the unemployment rate continues to increase. The city jobless rate stood at 8.8% in February 2003, significantly higher than the City's 2002 average rate of 7.9%, while the national unemployment rate stood at 5.8%, the same as the 2002 average. This suggests that the City's economy is still declining, while the nation's economic health may be stabilizing.²

For the second year in a row, Manhattan experienced the largest jump of any borough in its rate of unemployment. While the City as a whole experienced a 1.8 percentage point increase, Manhattan saw a 2.2 percentage point increase. In fact, over the last two years, Manhattan's jobless rate jumped by two-thirds, from 4.9% in 2000 to 8.2% in 2002. No other borough saw such a large jump in unemployment. However, the other boroughs did all see significant increases in their jobless rates over the last two years. While Manhattan's jobless rate jumped most significantly, the Bronx maintained

NYC and U.S. Unemployment Rates, 1988-2002

NYC and U.S. Unemployment Rates Continue to Rise in 2002



Source: U.S. Bureau of Labor Statistics.

the highest unemployment rate of the boroughs again in 2002, up from 7.4% in 2001 to 9.3% in 2002. Brooklyn maintained the second highest unemployment rate in 2002, up from 6.7% to 8.6%. Staten Island's jobless rate increased slightly less than the citywide average, up from 4.8% in 2001 to 6.5% in 2002. By contrast, Queens saw the smallest increase in joblessness in 2002, up from 5.1% in 2001 to 6.5% in 2002.

In contrast to the unemployment rate, two additional employment indices improved in 2001. The NYC labor force participation rate, which measures the proportion of all non-institutionalized people, aged 16 and over, who are employed or actively looking for work, increased in 2002, to 64.7%, up from 62.9% in 2001. This remained lower than the U.S. rate, which instead decreased, to 66.6% in 2002, from 66.8% in the prior year. In addition, the NYC employment/population ratio, which measures the proportion of those who are actually employed as a ratio of all non-institutionalized people age 16 or over, also increased, to 59.6% in 2002, up half a percentage point in 2001. The U.S. employment/population ratio,

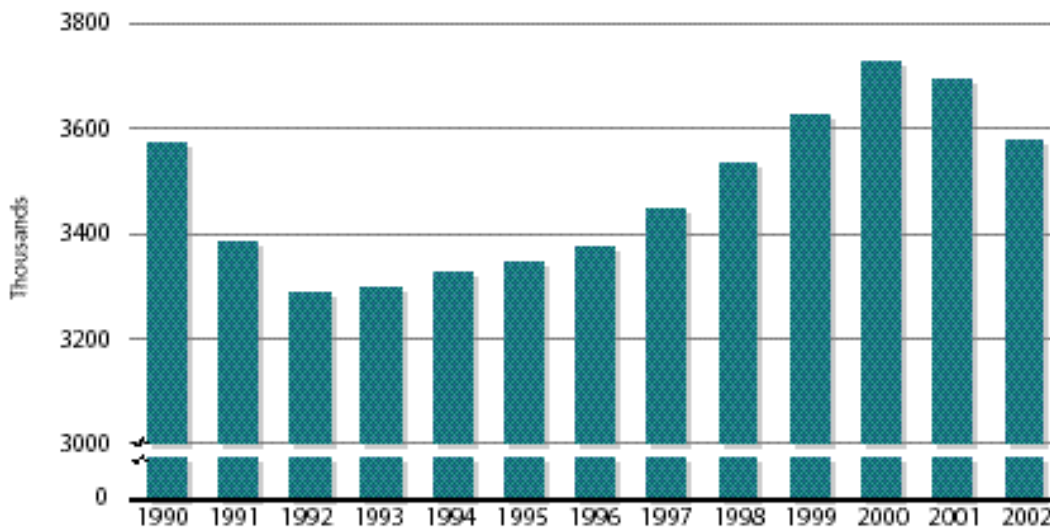
in contrast, was down one full percentage point, to 62.7% in 2002.³ The increase in both the City's labor force participation rate as well as the City's employment/population ratio simultaneous to the increase in the unemployment rate suggests that more people are now actively seeking work but are unable to find it.

The increasing rate of unemployment is also reflected in the significant decline in the number of those employed in New York City. However, since the employment/population ratio among NYC residents improved in 2001, it suggests that job losses impacted more significantly on commuters than on city residents. Overall, among both city residents as well as those commuting into the city, NYC lost 117,500 jobs in 2002, a 3.18% decrease from 2001. Job losses occurred in virtually every job sector.⁴ The information sector lost the highest proportion of jobs in NYC in 2002, down 11.9%, or 23,800 jobs, while manufacturing lost 10.1%, or 15,700 positions.

Most other sectors saw sizeable job losses as well, including the professional and business sector, losing

Average Annual Payroll Employment, NYC, 1990-2002

NYC Employment Levels Drop For Second Year in a Row



Source: U.S. Bureau of Labor Statistics.

6.1%, or 35,700 jobs; financial activities, losing 5.7%, or 27,200 jobs; construction, falling 5.3%, or 6,400 jobs; trade, transport & utilities, declining 4.2%, or 23,600 jobs; and the leisure and hospitality industry, falling a more modest 2.5%, or 6,500 jobs.

The only sectors to see job increases in 2002 were the educational & health services sector, gaining 18,300 positions, or 2.9%, and the public administration sector, gaining a modest one-half of one percent, or 2,800 jobs, among those employed by the local, state or federal governments in NYC in 2002.⁵ (See graph on previous page and Appendix 2.)

This report also examines wage data, though the analysis is limited by the fact that there is a one year lag in reporting of the income data. Therefore, the most recent numbers, which cover the 2001 calendar year, reveal a smaller real wage gain than in 2000, for those employed in NYC (which also includes those who live outside the City). After witnessing a 6.0% increase in real wages in 2000, the largest real wage gain in eight years, real wages, which are wages adjusted for inflation, rose a more modest 3.0% in 2001. Similarly, nominal wages grew 3.3% in 2001, versus 9.3% the prior year. In 2001, the average annual wage was \$61,046, an increase from \$59,103 in 2000. Reflecting the continuing boom in real estate in 2001, the construction sector saw the largest increase in real wages in 2001, increasing 6.0%, to an average salary of \$54,863. Manufacturing realized the second largest wage increase, seeing an inflation-adjusted increase of 5.2% in 2001, to \$61,474.

Meanwhile, the finance, insurance and real estate (“FIRE”) sector, which saw the highest rate of increase in its wages over the prior two years, experienced a more modest 3.7% real wage increase, though it maintained by far the highest average salary of any sector, averaging \$152,658 in 2001. By contrast, the lowest paid sector, trade, with an annual average salary of \$35,438, also saw the smallest increase in real wages, increasing just 1.6% in 2001. (See Appendices 3 & 4.)

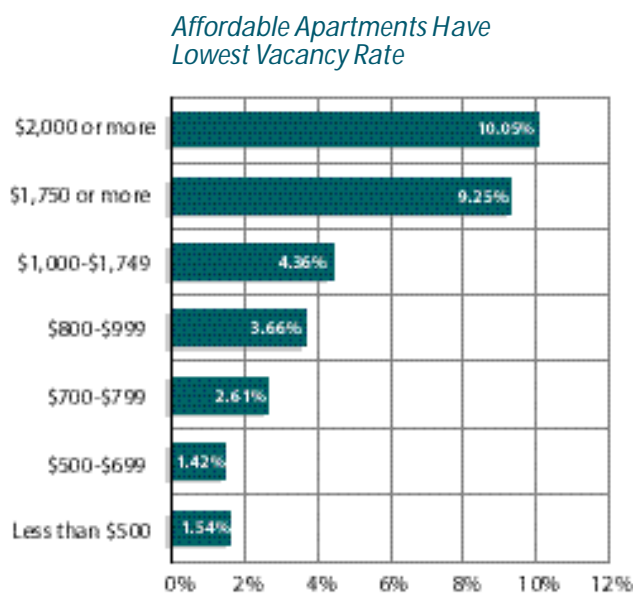
Poverty remains a problem in a City faced with recession. A recent report indicates that, after declining for five years, the poverty rate is beginning to increase. After declining from 26.4% in the mid-nineties to 19.8% in 1999-2000, the poverty rate began rising again, up 0.4 percentage points in 2000-2001, to 20.2%.⁶

New York City Renters

Preliminary results from the 2002 Housing and Vacancy Survey (HVS) were recently released, and they reveal the continuation of a very tight New York City housing market.⁷ This triennial survey of the housing and demographic characteristics of the city’s residents found that the citywide vacancy rate was 2.94% in 2002, well below the 5% threshold required for rent regulation to continue under state law. Queens continued to have the lowest vacancy rate in the city, at 1.78%, translating into the availability of just 7,700 rentals in a borough with 431,000 rental apartments. Manhattan, by contrast, had the highest vacancy rate in 2002, at 3.86%. Of the remaining boroughs, Staten Island’s rate stood at 2.43%, the Bronx at 3.29%, and Brooklyn’s at 2.73%.⁸

The HVS found vacancy rates varying significantly among different asking rents. As might be expected, apartments renting for the least had the lowest vacancy rates, while those apartment renting at the high end had substantially higher vacancy rates. Apartments with an asking rent of less than \$500 had a vacancy rate of just 1.54%, while those renting for at least \$2,000 had a vacancy rate of 10.05%. (See graph below for a further breakdown.)

Vacancy Rate by Monthly Rent Level, 2002



Source: 2002 NYC Housing and Vacancy Survey

Income

According to the 2002 HVS, which reflects household income for 2001, the median income for rental households stood at \$31,000 in 2001.⁹ By contrast, owner households maintain substantially higher incomes, which in 2001 stood at \$60,000, almost double the average income of renters.

The 2002 HVS again found different income levels among those living in units that were rent controlled, pre- and post-war stabilized, and private, non-regulated. Rent controlled tenants continued to maintain the lowest average household income, earning a median \$20,120 in 2001. Tenants living in stabilized buildings built prior to 1947 (“pre-war”) had a median income of \$30,416, and post-46 (“post-war”) tenants earned a median income level of \$36,030. However, tenants in non-regulated units¹⁰ had higher household incomes than rent regulated tenants, at \$39,457 in 2001. But poverty remains a problem for a large share of apartment dwellers in NYC, with 22.5% of renter households earning poverty-level incomes in 2001.¹¹

Rent

The HVS also examines rent levels, and it revealed that in 2002, the median monthly contract rent, which excludes any additional tenant payments for fuel and utilities, for all rental units was \$706, and that median gross rent, which includes fuel and utility payments, was \$788. By contrast, rent stabilized tenants paid, on average, slightly less than the typical rental tenant, with a median contract rent of \$703 in 2002. However, the median contract rent differs depending on whether the tenant lives in a pre-47 or post-46 building. Pre-47 stabilized tenants paid a median average of \$700, while post-46 stabilized tenants paid a contract rent median average of \$760. Rent controlled tenants paid the least in contract rent, a median of \$500, and tenants living in private nonregulated rentals paid \$850.

The HVS breaks down the distribution of renter occupied housing by gross rent level. Of the 2.02 million rental units in NYC, 11.3% rent for less than \$400, while 27.3% rent for over \$1,000. Almost half (47.1%) of all rental units rent for between \$600-\$999 and the remaining 14.3% rent for between \$400-\$599.¹² (See graph at right for a further breakdown.)

Affordability of Rental Housing

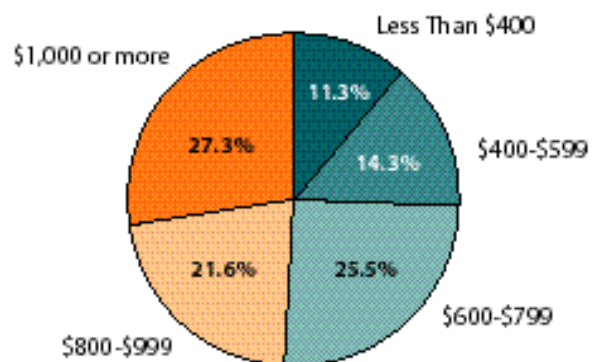
Examining affordability of rental housing, the 2002 HVS reported that the median gross rent-to-income ratio was 28.6%, meaning that half of all household residing in rental housing pay more than 28.6% of their income in gross rent, and half pay less. Furthermore, a quarter (25.5%) of rental households pay more than 50% of their household income in gross rent. Generally, housing is considered affordable when a household pays no more than 30% of their income in rent.¹³

Rent controlled tenants, on average, are the tenants facing the highest median gross rent-to-income ratio, with an average of 33.4%, meaning a majority of rent controlled tenants are not able to afford their apartments, based on the HUD benchmark for housing affordability. Rent stabilized tenants fare slightly better, on average, than households living in private nonregulated unit. The average median gross rent-to-income ratio of a stabilized household is 28.4%, while it is 28.6% for those in nonregulated rentals. Of stabilized tenants, post-46 tenant find their apartments more affordable, with a median gross rent-to-income ratio of 27.2%, compared to 29.0% for pre-47 buildings tenants.

A recent report by the Citizens Housing and Planning Council analyzed housing affordability data from the 1993, 1996 and 1999 HVS's and found that many more

Gross Rent Levels of Apartments, 2002

Wide Range of Apartment Rents in NYC



Source: 2002 NYC Housing and Vacancy Survey

households than is commonly believed face housing costs that make up a majority of their incomes. However, they also found that for many of these households, the situation is a result of short-term income reductions, though many elderly and single women with children also face long periods where their rent is disproportionate to what they can afford.¹⁴

Another recent study found NYC housing to be unaffordable to the poorest working New Yorkers. In order to afford a two-bedroom apartment at the City's Fair Market Rent (FMR), as determined by the U.S. Department of Housing and Urban Development (HUD), a full-time worker must earn \$19.83 per hour, or \$41,240 a year. Alternately, those who earn minimum wage would have to work the equivalent of 154 hours a week (or two people residing together would each have to work 77 hours a week) to be able to afford a two-bedroom unit priced at FMR.¹⁵

Welfare Reform

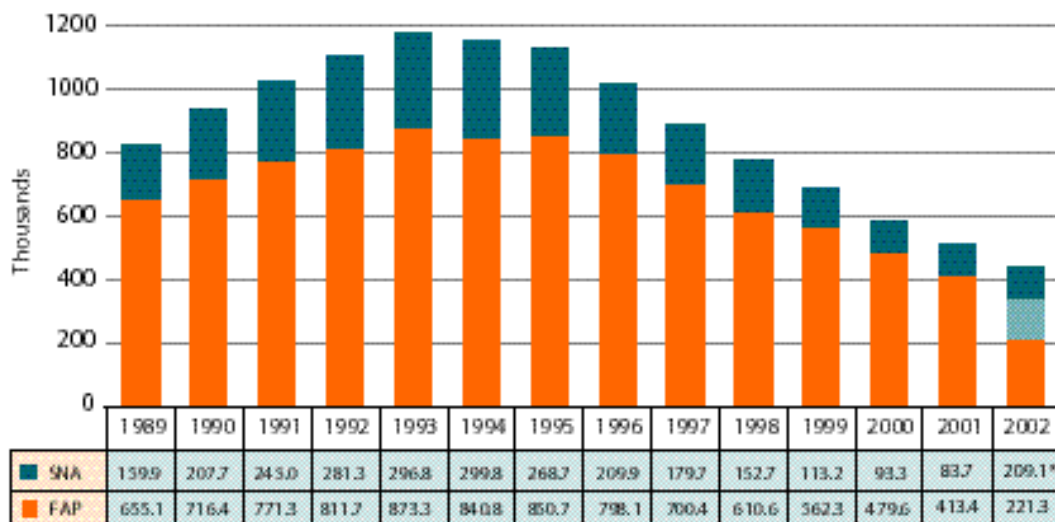
After falling significantly for many years, public assistance caseloads have started to level out,

dropping slightly over the last fiscal year. The most recent edition of the *Mayor's Management Report* indicates that, as of October 2002, 425,700 persons were receiving public assistance, a decrease of 8.9% (41,400 persons), from a year earlier. However, when compared with the average number of recipients during all of FY 2002, it represents a drop of just 1.1%, suggesting that the drop in caseloads may be ending. Over the last eight year, however, the number of recipients of public assistance has dropped significantly, falling 63.3% since March 1995, when the City's welfare reform initiative began and 1,161,000 were on the rolls.¹⁶ However, during the first four months of FY 2003, the most recent period for which data is available, 44,100 public assistance recipients found employment, 28.8% fewer than in the prior fiscal year.

Public assistance rolls are made up of two main programs: the Family Assistance Program (FAP) and the Safety Net Assistance (SNA) program. In FY 2002, the City began shifting a large number of FAP recipients (federally funded by the Temporary Assistance to Needy Families (TANF) program) over

Family Assistance Program (FAP) and Safety Net Assistance (SNA), FY 1989-FY 2002

Public Assistance Caseloads Continue to Decline



Note: 2002 SNA caseload includes 124,300 cases converted from FAP to SNA during FY 2002

Source: Mayor's Management Reports, FY's 1989 - Preliminary FY 2003

to the SNA program after their federal benefits expired. During the first four months of FY 2003, 127,000 recipients shifted into the SNA program, while 212,000 remained in FAP. In addition, 7,900 more persons also began receiving SNA during the first four months of FY 2003, compared to the same four-month period in FY 2002. Overall, there was a 22.9% increase in the number of new public assistance applications during the first four months of FY 2003, compared with the same period in FY 2002, apparently reflecting the City's declining economy. (See graph on previous page.)

The *Mayor's Management Report* also indicates that during the first four months of FY 2003, 36.8% of FAP families participate in work activities, down from 49.3% a year earlier. It appears that the recent increase in the unemployment rate may be adversely impacting on the ability of public assistance recipients to obtain employment.

The number of recipients of food stamps increased during the beginning of FY 2002, following a decline in recent years. There was a 3.4% increase in the number of persons receiving food stamps from the first four month period of FY 2002 to FY 2003, rising to 836,000 by October 2002. The increase in demand for food stamps is another sign of the deteriorating local economy.

Housing Policy

New York City receives funding for a variety of housing programs from the U.S. Department of Housing and Urban Development (HUD). In the 2002 calendar year, NYC received \$941.3 million from federally funded programs. These programs include \$290 million as a Community Development Block Grant (CDBG), which funds housing and community development programs; \$116 million for the HOME Investment Partnership Program, which helps preserve existing housing stock; \$7.8 million for Emergency Shelter Grant (ESG), which is used for homeless programs; and \$49.4 million for Housing Opportunities for Persons with AIDS (HOPWA). In 2003, the City expects to receive \$964.4 million for these programs, which represents a 2.5% nominal increase but a 0.8% decline in inflation-adjusted dollars.¹⁷

However, with the City facing significant budget problems, the City has received permission from the

federal government to use its CDBG dollars for a variety of public services in 2003 that normally would not be funded in this way, thus cutting the amount of money allocated for housing.¹⁸ As the City continues to face increases in homelessness, any cutback in housing programs may have a detrimental effect.

Evictions & Homelessness

Homelessness & Emergency Assistance

NYC's recession continues to take its toll on those least able to afford it, as homelessness continues to grow to record numbers, most notably for families. As of March 2003, an average of 38,254 persons were staying in city shelters, up by 5,404, or 16.5%, from a year earlier.¹⁹ However, the increase in the number of families staying in city shelters was even greater, with an average of 9,242 families staying in shelters in March 2003, 24.0% higher than at the same time in the prior year. By contrast, the number of single adults staying in shelters rose much less, up 3.8% from a year earlier to an average of 8,265 per night as of March 2003.

More encouragingly, a larger number of families have been relocated to permanent housing during the first third of FY 2003, with 1,550 relocated through October 2002, up 19.7% compared to the same period in FY 2002, and the average length of stay by families in temporary housing declined 10.2%, to 292 days (the equivalent of 42 weeks). However, the number of families found ineligible for temporary housing decreased significantly between the first four months of FY 2002 and FY 2003, down 47.7% to 2,665.²⁰

Housing Court

Another useful way to comprehend the impact of economic conditions on New York City's renters is to examine housing court data. Specifically, Housing Court actions are reviewed to determine the proportion of tenants who are unable to meet their rental payments. Similarly, to measure the number of households experiencing the most severe affordability problems, evictions are also tracked.

The number of non-payment filings in Housing Court increased sharply in 2002, up 19.4%, to 331,309.

This is by far the largest jump in non-payment filings in the 20 years that the RGB has been collecting this data, and is the highest since 1985. By contrast, over the previous six years (1996-2001), non-payment filings averaged 276,650.²¹

With court filings increasing significantly in 2002, the proportion of cases resulting in an actual court appointment (“calendared”) fell just as sharply in the same period, to 39.9% in 2002. During the mid-to-late 1980s, an average of 27.1% of non-payment filings were “calendared” (resulting in a court appearance). Until 2001, that figure had climbed steadily, when 47.2% of cases were calendared. But while the number of cases calendared increased in 2002 (up 1.0%), the number of filings increased much more, so the proportion fell to 39.9%.

Another useful way to measure tenants’ ability to afford rents is by examining the number and proportion of evictions. Of the 130,897 non-payment proceedings that reached the point of trial in 2001 (the most recent year that data is currently available), 21,369 court decisions ruled in favor of landlords and for the tenant’s eviction.²² As a proportion of cases noticed for trial that resulted in an eviction/possession ruling, this decreased, down from 18.9% in 2000 to 16.3% in 2001. The proportion remains a great deal lower than that found in the mid to late-1980s, when typically a quarter to a third of cases reaching court resulted in an order of eviction or possession. (See Appendix 7.)

Conclusion

New York City faced economic troubles in 2002 that impacted on virtually every sector of the economy and residents of all boroughs. The City remained under a recession for a second year, with its Gross City Product declining 2.2%. Unemployment grew, most notably in Manhattan, where the rate rose 2.2 percentage points, to 8.2%, while citywide it increased 1.8 percentage points, to 7.9%. Virtually every industry lost jobs, including the most highly paid sector, financial activities, losing 5.7%, or 27,200 positions. Housing availability remained tight, with a citywide vacancy rate of 2.94% in 2002.

On a positive note, inflation-adjusted wages, which are reported on a one-year lag, increased 3.0% in 2001, and the number of individuals receiving public

assistance declined. However, increases in homelessness, poverty and non-payment filings in housing court, as well as the City budget crisis, may portend continuing economic problems well into 2003 and beyond.

Endnotes

1. While 2002 was the first time in 10 years that the NYC metro area CPI increase exceeded that of the U.S. rate for urban consumers, there were three years in which NYC and the U.S. had equal increases in the CPI.
2. “City Unemployment Rate Rose Again in February,” by Janny Scott, *New York Times*, April 11, 2003.
3. The NYC labor force participation rate and employment/population ratio are derived from unpublished data from the U.S. Bureau of Labor Statistics. Note that prior years’ data were recently revised, and differ from figures reported in prior years’ *Income and Affordability Studies*.
4. The NYS Dept. of Labor and U.S. Bureau of Labor Statistics recently updated their employment classification system. The new system, called NAICS (North American Industry Classification System), is designed to more accurately reflect the nation’s services-centered economy. NAICS replaces the prior system, called SIC (Standard Industrial Classification), which was developed in the 1930s, when the U.S. economy was manufacturing-dominated. Further information on the transition is available on the NYS Dept. of Labor website at http://www.labor.state.ny.us/labor_market/lmi_business/employ/naicsfaqs.htm.
5. The “other services” category also saw the number of jobs increase slightly in 2002, up 0.13%, or 200 jobs.
6. “Poverty in New York City, 2001: Recession Ends Late Nineties Decline in Poverty Rate,” Community Service Society (CSS) of New York Data Brief #6, September 26, 2002. Based on study of U.S. Census Bureau data. Study averaged two consecutive years of census data in calculating poverty rates.
7. The New York City Housing and Vacancy survey (HVS) is sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S. Census Bureau.
8. Data from the 2002 HVS cannot be compared in a reliable manner with data from previous HVS’s, principally because the HVS is a sample survey and the samples for the 2002 and previous HVS’s were drawn from different sample frames. To make the data from previous HVS’s comparable with the data from the 2002 HVS, data from previous HVS’s should be reweighted applying the weight that was used for the 2002 HVS. Reweighted data from previous HVS’s is not available at this time. Also, Staten Island vacancy rate data should be interpreted with caution, as the sampling error is large due to a limited number of vacant units resulting from a small survey sample.
9. Total household income in the HVS includes wages, salaries, and tips; self-employment income; interest dividends; pensions; and other transfers and in-kind payments.
10. Private non-regulated consists of units which were never rent controlled or rent stabilized, units which were decontrolled and unregulated rentals in cooperative or condominium buildings.
11. “Select Findings of the 2002 New York City Housing and Vacancy Survey,” by Moon Wha Lee, NYC Department of Housing Preservation and Development, February 7, 2003.
12. The remaining 44,984 rental units did not report a cash rent.

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13. The HUD benchmark for housing affordability is a 30% rent-to-income ratio. Source:Basic Laws on Housing and Community Development,Subcommittee on Housing and Community Development of the Committee on Banking Finance and Urban Affairs, revised through December 31,1994,Section 3.(a)(2).
 14. "Heavy Burdens," by Frank Braconi, *The Urban Prospect*, March/April 2003,Citizens Housing and Planning Council.
 15. National Low Income Housing Coalition report,"Out of Reach 2002," September, 2002.
 16. *Mayor's Management Reports*, Fiscal Year 1995 - Preliminary Fiscal Year 2003.
 17. *Consolidated Plan 2002 and Proposed Consolidated Plan 2003*, NYC Dept.of City Planning.
 18. "Rising Homelessness Threatens Higher City Costs," NYC Independent Budget Office Report *Inside the Budget*, September 12,2002.
 19. Source:NYC Department of Homeless Services,shelter census reports,as reported by Coalition for the Homeless, April 2003.
 20. *Mayor's Management Report*, Preliminary Fiscal Year 2003.
 21. Civil Court of the City of New York data.
 22. NYC Department of Investigation,Bureau of Auditors data.

Appendix: Income and Affordability Study

1. Average Annual Employment Statistics by Area, 1991-2002

<u>Unemployment Rate</u>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Bronx	10.1%	12.5%	11.9%	10.0%	9.6%	10.6%	11.6%	10.0%	8.1%	7.3%	7.4%	9.3%
Brooklyn	9.5%	12.0%	11.2%	9.7%	9.2%	10.0%	10.7%	9.4%	7.8%	6.8%	6.7%	8.6%
Manhattan	7.3%	9.0%	8.8%	7.6%	7.0%	7.4%	7.8%	6.8%	5.7%	4.9%	6.0%	8.2%
Queens	8.0%	10.5%	9.5%	8.2%	7.6%	8.1%	8.5%	7.0%	5.9%	4.8%	5.1%	6.5%
Staten Island	8.3%	10.4%	9.2%	7.8%	7.4%	7.8%	8.4%	6.9%	5.8%	4.8%	4.8%	6.5%
NYC	8.7%	11.0%	10.4%	8.7%	8.2%	8.8%	9.4%	8.0%	6.7%	5.7%	6.1%	7.9%
U.S.	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%
<u>Labor Force Participation Rate</u>												
NYC	56.4%	56.4%	56.0%	55.5%	55.2%	56.7%	58.5%	58.9%	59.3%	63.2%	62.9%	64.7%
U.S.	66.2%	66.4%	66.3%	66.6%	66.6%	66.8%	67.1%	67.1%	67.1%	67.1%	66.8%	66.6%
<u>Employment-Population Ratio</u>												
NYC	51.5%	50.2%	50.2%	50.7%	50.7%	51.7%	53.0%	54.1%	55.3%	59.6%	59.1%	59.6%
U.S.	61.7%	61.5%	61.7%	62.5%	62.9%	63.2%	63.8%	64.1%	64.3%	64.4%	63.7%	62.7%
<u>Gross City Product (NYC)</u> (thousands, in 1996 \$)	267.5	270.3	276.2	276.8	282.2	292.7	304.8	316.2	331.6	348.8	347.8	340.2
% Change	-1.91%	1.05%	2.18%	0.22%	1.95%	3.72%	4.13%	3.74%	4.87%	5.19%	-0.29%	-2.19%
<u>Gross Domestic Product (U.S.)</u> (thousands, in 1996 \$)	6,676.4	6,880.0	7,062.6	7,347.7	7,543.8	7,813.2	8,159.5	8,508.9	8,859.0	9,191.4	9,214.5	9,439.9
% Change	-0.47%	3.05%	2.65%	4.04%	2.67%	3.57%	4.43%	4.28%	4.11%	3.75%	0.25%	2.45%

Notes: The New York City Comptroller's Office revises the Gross City Product periodically. The GCP & GDP figures presented here may not be the same as those reported in prior years. Note that GCP and GDP figures are preliminary.

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis, U.S. Department of Commerce; NYS Department of Labor; NYC Comptroller's Office. Unpublished data from the Bureau of Labor Statistics.

2. Average Payroll Employment by Industry for NYC, 1993-2002 (in thousands)

<u>Industry Employment</u>	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2001-2002 Change
Manufacturing	219.3	211.8	207.8	200.5	201.2	195.9	186.8	176.8	155.5	139.8	-10.10%
Construction	84.7	87.9	89.6	90.7	93.3	101.1	112.3	120.4	122.0	115.6	-5.25%
Natural Resources & Mining	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.00%
Trade, Transport & Utilities	527.8	525.5	532.5	533.0	538.3	542.0	556.3	569.6	557.3	533.7	-4.23%
Leisure & Hospitality	194.3	200.8	208.5	216.6	227.9	235.8	243.7	256.7	260.1	253.6	-2.50%
Financial Activities	464.9	471.8	467.2	464.2	467.7	477.3	481.0	488.8	473.6	446.4	-5.74%
Information	151.8	152.4	154.4	158.9	162.6	166.5	172.8	187.3	200.4	176.6	-11.88%
Professional & Business Svcs.	424.8	436.8	444.8	468.4	493.7	525.2	552.9	586.5	581.9	546.2	-6.14%
Educational & Health Svcs.	516.1	536.2	551.6	565.5	576.2	588.7	605.7	620.1	627.1	645.4	2.92%
Other Services	119.8	120.7	122.6	125.2	129.3	133.9	141.5	147.4	148.7	148.9	0.13%
Total Private Sector	2,703.6	2,744.0	2,779.2	2,823.2	2,890.4	2,966.5	3,053.2	3,153.6	3,126.6	3,006.3	-3.85%
<u>Government</u>	587.6	578.3	560.1	546.0	551.5	561.5	567.5	569.5	565.4	568.2	0.50%
New York City	464.1	455.0	439.0	429.9	438.4	448.1	453.3	451.8	450.8	454.6	0.84%
Total	3,291.2	3,322.3	3,339.3	3,369.2	3,441.9	3,528.0	3,620.7	3,723.1	3,692.0	3,574.5	-3.18%

Notes: Totals may not add up due to rounding. Categories and figures have been revised from prior years due to new classification system used by the US Bureau of Labor Statistics and the NYS Department of Labor. Total excludes farm employment but includes unclassified jobs. Local government figures have been revised from prior years to include those employed by the City of New York as well as city-based public corporations such as the HHC (Health and Hospitals Corporation) and the MTA.

Source: NYS Department of Labor

3. Average Real Wage Rates by Industry for NYC, 1994-2001 (1994 dollars)

Industry	1994	1995	1996	1997	1998	1999	2000	2001	2000-01 % Change
Construction	\$41,669	\$41,213	\$41,387	\$40,636	\$42,108	\$43,022	\$44,753	\$47,422	6.0%
Manufacturing	\$38,567	\$39,778	\$42,007	\$43,005	\$47,274	\$47,239	\$50,511	\$53,136	5.2%
Transportation	\$42,773	\$43,285	\$44,366	\$44,254	\$46,196	\$46,314	\$46,766	\$48,344	3.4%
Trade	\$29,439	\$29,110	\$28,891	\$29,507	\$30,306	\$30,664	\$30,138	\$30,631	1.6%
FIRE	\$71,820	\$79,830	\$89,951	\$98,240	\$105,432	\$109,150	\$127,184	\$131,952	3.7%
Services	\$35,259	\$35,640	\$35,540	\$36,186	\$37,881	\$38,880	\$40,204	\$40,880	1.7%
Private Sector	\$41,556	\$43,042	\$44,624	\$46,433	\$49,036	\$49,961	\$53,360	\$55,030	3.1%
Government	\$37,179	\$38,582	\$38,937	\$39,507	\$38,548	\$39,516	\$39,393	\$40,259	2.2%
Total Industries	\$40,876	\$42,327	\$43,842	\$45,382	\$47,393	\$48,339	\$51,233	\$52,766	3.0%

Note: The New York State Department of Labor revises the statistics annually. Real wages reflect 1994 dollars and differ from those found in this table in prior years.

Source: New York State Department of Labor, Research and Statistics Division.

4. Average Nominal Wage Rates by Industry for NYC, 1994-2001

Industry	1994	1995	1996	1997	1998	1999	2000	2001	2000-01 % Change
Construction	\$41,669	\$42,255	\$43,663	\$43,873	\$46,207	\$48,134	\$51,627	\$54,863	6.3%
Manufacturing	\$38,567	\$40,784	\$44,317	\$46,430	\$51,876	\$52,853	\$58,270	\$61,474	5.5%
Transportation	\$42,773	\$44,379	\$46,806	\$47,779	\$50,693	\$51,817	\$53,949	\$55,930	3.7%
Trade	\$29,439	\$29,846	\$30,480	\$31,857	\$33,256	\$34,309	\$34,767	\$35,438	1.9%
FIRE	\$71,820	\$81,848	\$94,898	\$106,064	\$115,695	\$122,121	\$146,720	\$152,658	4.0%
Services	\$35,259	\$36,541	\$37,495	\$39,068	\$41,569	\$43,500	\$46,380	\$47,295	2.0%
Private Sector	\$41,556	\$44,130	\$47,078	\$50,132	\$53,810	\$55,898	\$61,556	\$63,665	3.4%
Government	\$37,179	\$39,558	\$41,078	\$42,654	\$42,300	\$44,212	\$45,444	\$46,576	2.5%
Total Industries	\$40,876	\$43,397	\$46,253	\$48,996	\$52,006	\$54,083	\$59,103	\$61,046	3.3%

Note: The NYS Department of Labor revises the statistics annually. The wage figures reported here may not be the same as those reported in prior years.

Source: New York State Department of Labor, Research and Statistics Division.

5. New York City Population Statistics, 1900-2002

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Citywide	Citywide Change from Prior Decade/Year
1900	200,507	1,166,582	1,850,093	152,999	67,021	3,437,202	--
1910	430,980	1,634,351	2,331,542	284,041	85,969	4,766,883	38.7%
1920	732,016	2,018,356	2,284,103	469,042	116,531	5,620,048	17.9%
1930	1,265,258	2,560,401	1,867,312	1,079,129	158,346	6,930,446	23.3%
1940	1,394,711	2,698,285	1,889,924	1,297,634	174,441	7,454,995	7.6%
1950	1,451,277	2,738,175	1,960,101	1,550,849	191,555	7,891,957	5.9%
1960	1,424,815	2,627,319	1,698,281	1,809,578	221,991	7,781,984	-1.4%
1970	1,471,701	2,602,012	1,539,233	1,986,473	295,443	7,894,862	1.5%
1980	1,168,972	2,230,936	1,428,285	1,891,325	352,121	7,071,639	-10.4%
1990	1,203,789	2,300,664	1,487,536	1,951,598	378,977	7,322,564	3.5%
2000	1,332,650	2,465,326	1,537,195	2,229,379	443,728	8,008,278	9.4%
2001	1,343,698	2,479,923	1,549,009	2,238,024	451,373	8,062,027	0.7%
2002	1,354,068	2,488,194	1,546,856	2,237,815	457,383	8,084,316	0.3%

Note: 1900-2000 figures as of April 1 of each year. 2001-2002 figures as of July 1 of each year. Percent population change between 1990 and 2000 has not been adjusted to take into account the increased number of households surveyed for the 2000 Census.

Source: U.S. Census Bureau, Population Division

6. Consumer Price Index for All Urban Consumers, New York-Northeastern New Jersey, 1992-2002

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
March	149.1	154.1	157.9	160.9	166.5	170.7	173.0	175.5	181.5	186.4	191.1
June	149.5	154.2	157.8	162.2	166.5	170.3	173.1	176.8	182.0	188.3	191.5
September	151.4	155.3	159.0	163.2	168.2	171.7	174.4	178.2	184.4	188.0	193.3
December	151.9	155.6	158.9	163.7	168.5	171.9	174.7	178.6	184.2	187.3	193.1
Quarterly Average	150.5	154.8	158.4	162.5	167.4	171.2	173.8	177.3	183.0	187.5	192.3
Yearly Average	150.0	154.5	158.2	162.2	166.9	170.8	173.6	177.0	182.5	187.1	191.9

12-month percentage change in the CPI

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
March	3.97%	3.35%	2.47%	1.90%	3.48%	2.52%	1.35%	1.45%	3.42%	2.70%	2.52%
June	3.39%	3.14%	2.33%	2.79%	2.70%	2.28%	1.64%	2.14%	2.94%	3.46%	1.70%
September	3.84%	2.58%	2.38%	2.64%	3.06%	2.08%	1.57%	2.18%	3.48%	1.95%	2.82%
December	3.62%	2.44%	2.12%	3.02%	2.90%	2.02%	1.63%	2.23%	3.14%	1.68%	3.10%
Quarterly Average	3.70%	2.87%	2.33%	2.59%	3.03%	2.22%	1.55%	2.00%	3.24%	2.45%	2.53%
Yearly Average	3.59%	3.00%	2.39%	2.53%	2.90%	2.34%	1.64%	1.96%	3.11%	2.52%	2.57%

Source: U.S. Bureau of Labor Statistics

Base Period: 1982-1984=100

7. Housing Court Actions, 1983-2002

Year	Filings	Calendared	Evictions & Possessions
1983	373,000	93,000	26,665
1984	343,000	85,000	23,058
1985	335,000	82,000	20,283
1986	312,000	81,000	23,318
1987	301,000	77,000	25,761
1988	299,000	92,000	24,230
1989	299,000	99,000	25,188
1990	297,000	101,000	23,578
1991	302,000	114,000	20,432
1992	289,000	122,000	22,098
1993	295,000	124,000	21,937
1994	294,000	123,000	23,970
1995	266,000	112,000	22,806
1996	278,000	113,000	24,370
1997	274,000	111,000	24,995
1998	278,156	127,851	23,454
1999	276,142	123,399	22,676
2000	276,159	125,787	23,830
2001	277,440	130,897	21,369*
2002	331,309	132,148	

Note: "Filings" reflect non-payment proceedings initiated by rental property owners, while "Calendared" reflect those non-payment proceedings resulting in a court appearance. "Filings" and "Calendared" figures prior to 1998 were rounded to the nearest thousand.

*Note: 2001 Evictions and Possessions data is incomplete as it excludes the work of one city marshal who died in May 2001 and whose statistics are unavailable.

Statistic not yet available

Sources: New York City Civil Court, First Deputy Chief Clerk for Housing; New York City Department of Investigations, Bureau of City Marshals.