

# 2005 Income and Affordability Study

April 12, 2005

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# 2005 Income and Affordability Study

## what's new

- ✓ New York City's economy grew by 2.4% in 2004, compared to a 2.4% drop in 2003.
- ✓ The City gained 10,000 jobs in 2004, a 0.3% increase from 2003 in total employment levels.
- ✓ The unemployment rate decreased to 7.1% last year, down from 8.3% in 2003.
- ✓ Inflation averaged 3.5% in the metro area in 2004, up from 3.1% in the prior year.
- ✓ Inflation-adjusted wages decreased 1.5% in 2003, compared to a 5.0% decrease in 2002.
- ✓ In fiscal year 2004, 38,136 homeless people were staying in municipal shelters, up 1.9% from 2003.
- ✓ The average number of families temporarily sheltered each night increased 1.6%, to 9,109 in fiscal year 2004, compared to a year earlier.
- ✓ The number of non-payment filings in Housing Court decreased 17.9% in 2004, to 261,085.

## 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.

## Summary

For the first year since 2000, New York City's economy rose from recession, with declining unemployment rates and housing court filings, rising employment levels, and Gross City Product growing in every quarter of the year. Unemployment rates decreased for the first time in four years, declining 1.2 percentage points, to 7.1%. Total employment levels in the City increased 0.3%, and the City's Gross City Product increased by 2.4% in 2004, the fifth consecutive quarterly increase. Non-payment filings in Housing Court also decreased for the second consecutive year, falling 17.9%.

But while the City technically moved from recession, a number of other economic indicators showed an opposite trend. Real wages declined by 1.5%, in addition to a 5.0% drop the previous year. The number of persons receiving public assistance increased during Fiscal Year 2004, as well as during the first four months of FY 2005. In addition, the number of homeless in City shelters remained at record numbers, especially among single adults. Housing and Vacancy Survey (HVS) data published two years ago also confirms that the vacancy rate remains below the 5% threshold, at 2.94% citywide.

## Economic Conditions

The City's economy in 2004 rose from recession for the first time since 2000. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, increased by 2.4% in 2004, after falling 2.4% in 2003, 3.8% in 2002, and 1.4% in 2001.<sup>1</sup> For comparison, GCP increased at an annualized rate of 6.0% from 1994 through 2000. Prior to the recent recession, the last time yearly GCP declined was in 1991. Quarterly GCP increased in each

of the past five quarters, including a high of 4.5% growth in the fourth quarter of 2004.<sup>2</sup> The analogous national number, United States Gross Domestic Product (GDP), has increased annually since 1991, including a 4.4% increase in 2004, and a 3.0% increase in the prior year.

The Consumer Price Index (CPI), which measures the change in the cost of typical household goods, increased at a higher rate in 2004 (3.5%) than in 2003 (3.1%) in the NYC metropolitan area, signifying a more rapid rate of inflation. The U.S. CPI for urban consumers also increased at a higher rate this year, up 2.7% in 2004 versus an increase of 2.3% in 2003. This is the third year in a row, and only the third time since 1992, that inflation in the New York area grew more rapidly than in the United States as a whole.<sup>3</sup>

For the first time since 2000, NYC's unemployment rate decreased, falling by 1.2 percentage points (14.5%), from 8.3% in 2003 to 7.1% in 2004. The U.S. unemployment rate also decreased over the past year,

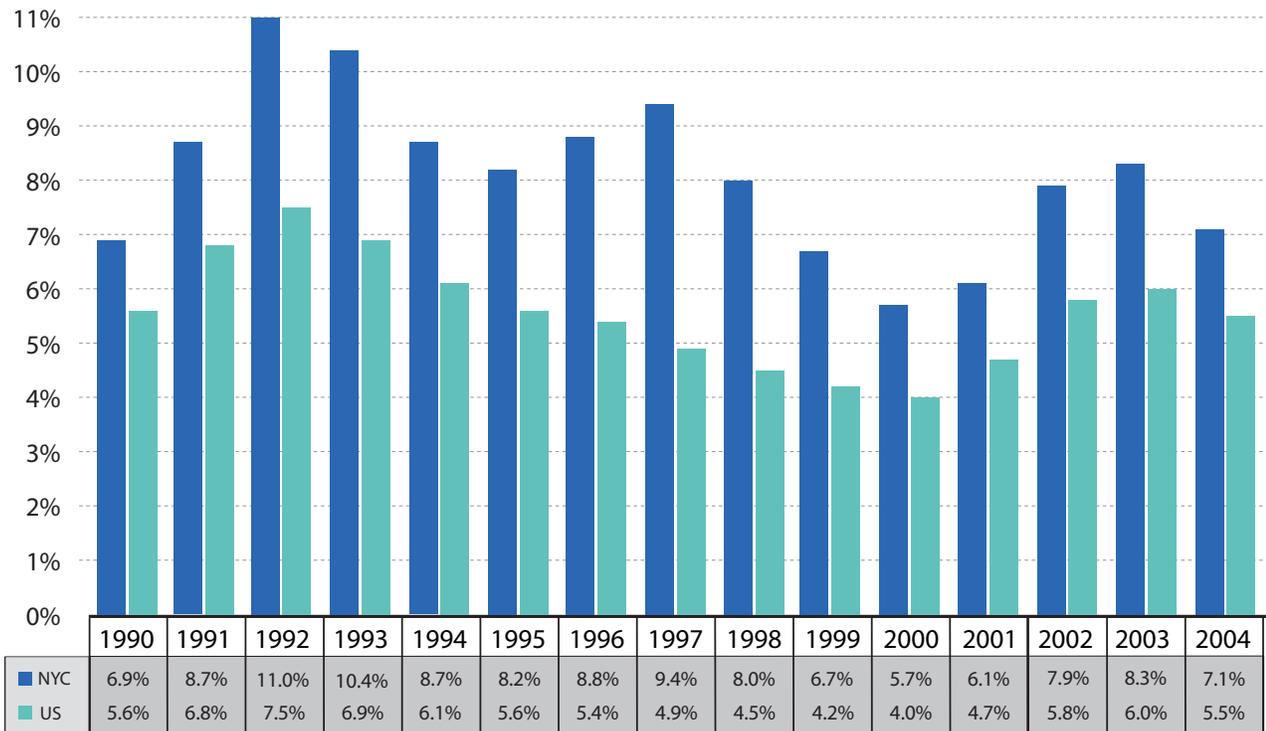
but at a slower rate, down 0.5 percentage points to 5.5% in 2004. The gap between the NYC and nationwide rates is now at its smallest level since 2001 and is one of the smallest of the past 15 years. (See graph below and Appendix 1)

During the early months of 2005, unemployment rates in NYC continued to decrease over average 2004 levels. The City jobless rate stood at 6.2% in January 2005 and 6.5% in February, both lower than the City's 2004 average rate of 7.1%. In contrast, the national unemployment rate was 5.7% in January of this year and 5.8% in February, slightly higher than the U.S. 2004 average of 5.5%.

New York City unemployment data at the borough level is currently being revised per a directive from the U.S. Department of Labor's Bureau of Labor Statistics for the years 2000 through 2003. Revised estimates for the City as a whole have already been completed for all years, and 2004 borough-level figures have also been released. However, borough-level comparisons between

### NYC and U.S. Unemployment Rates, 1990-2004

NYC and U.S. Unemployment Rates Fall in 2004



Source: U.S. Bureau of Labor Statistics.

years cannot be completed until revised numbers for 2000 to 2003 are released in May of this year.

Borough-level data from 2004, which is currently available, reveals that three boroughs had virtually identical unemployment rates. The lowest rate among the boroughs, Manhattan, was 6.2%, followed closely by Staten Island at 6.3%, and Queens at 6.4%. Second highest was Brooklyn, with a 7.7% unemployment rate. Highest was the Bronx, with an unemployment rate of 9.1%.

Two other employment indices increased slightly in 2004. 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 slightly in 2004, to 59.0%, up from 58.9% in 2003.<sup>4</sup> This remained lower than the U.S. rate, which decreased slightly over the past year, to 66.0% in 2004, from 66.2% in the prior year, the fourth consecutive decrease.

In addition, the NYC employment/population ratio, which measures the proportion of those who are actually employed as a ratio of all non-institutionalized

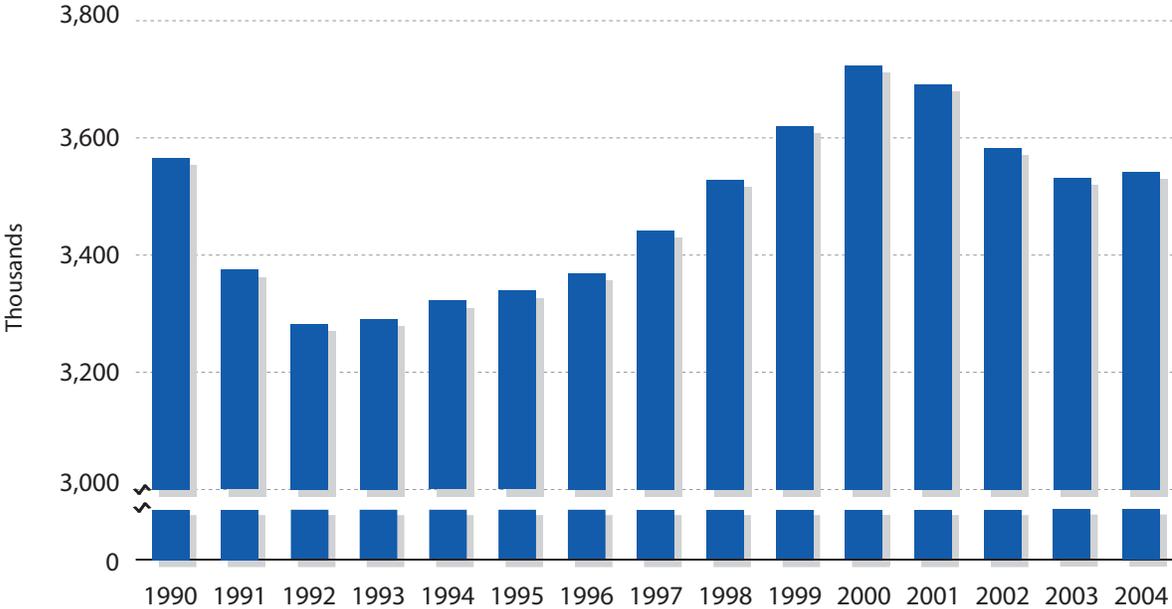
people age 16 or over, also increased marginally, to 54.8% in 2004, up 0.8 percentage points from 2003. The U.S. employment/population ratio remained stable at 62.3% in both 2003 and 2004. The increase in both the City’s labor force participation rate as well as the City’s employment/population ratio, simultaneous to the decrease in the unemployment rate, suggests those people searching for work are having an easier time finding it than in the past few years.

The decreasing rate of unemployment is also reflected in the increasing number of those employed in New York City (see graph below), the first such increase since 2000. Overall, among both city residents as well as those commuting into the city, NYC gained 10,000 jobs in 2004, a modest 0.3% increase from 2003. These job gains follow job losses totaling almost 200,000 between 2001 and 2003.

Overall, many industries tracked in the I&A Study saw small increases in employment, while a few saw more significant 3-5% decreases.<sup>5</sup> The manufacturing sector lost the highest proportion of jobs in 2004, down 5.3%, or 6,700 jobs (the seventh consecutive annual

**Average Annual Payroll Employment, NYC, 1990-2004**

*NYC Employment Levels Rise Slightly, First Time Since 2000*



Source: U.S. Bureau of Labor Statistics.

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decrease in that sector), and management of companies dropped 4.9% or 2,900 jobs, the first decrease in that sector since 2000. Federal government jobs also saw a significant 2,000 person job loss, a decline of 3.4% over 2003 levels, although local and state employment levels remained stable.

Among the industries tracked, two had increases of more than 1% between 2003 and 2004. Leisure and hospitality increased by the greatest amount, a 3.2% rise to reach a record-high 268,600 persons, while educational and health services rose 1.3%, to 666,600. Other industries saw very modest increases of less than 1%, including trade, transport, and utilities; financial activities; and professional and business services. (See Appendix 2)

This report also examines wage data of employees working in New York City (regardless of where they live), though the analysis is limited by the fact that there is a one-year lag in the reporting of income data. The most recent numbers, which cover the 2003 calendar year, reveal a small decrease in real wages, and a small increase in nominal wages. Real wages fell the prior year by 5.0%, the first decline since 1994. This year real wages fell again, by a more modest 1.5%, from \$61,289 (in 2003 dollars) to \$60,365. Nominal wages (wages in current dollars) increased by 1.5% over the past year, rising from \$59,461 in 2002 to \$60,365 in 2003. Excepting last year's 2.6% decrease in nominal wages, this was the smallest nominal increase since 1994.

Of the sectors tracked in this report, four had increases in real wages during 2003 — information, manufacturing, services, and government. Of the four, two rose with significance. The information sector saw the largest increase in real wages, rising 4.5% from 2002 to 2003 to reach more than \$84,000. The other significant increase was in manufacturing, which increased 2.6% from 2002 to 2003, to reach \$42,725. The construction, trade, services, and government sectors saw little to no change in real wages, each either falling or rising by no more than 0.5%. The largest decrease among tracked sectors was management of companies, which decreased in real terms by 13.8% over the year, and is now more than \$20,000 below real 2000 wages. Other significant decreases in real wages were in the FIRE (finance, insurance and real estate) sector,

where real wages decreased by 3.1%, and transportation, which declined by 2.3%.

Poverty remains a problem in a City recovering from recession. After declining from 26.4% in the mid-nineties to 19.8% in 1999-2000, the poverty rate has begun to rise, up 0.2 percentage points in 2002-2003 (the most recent available data) from the previous year's rate, to 20.7%.<sup>6</sup>

## Affordability of Rental Housing

Despite ongoing efforts by a number of government agencies and non-profit groups, housing affordability remains an issue in a city ranked 11th highest in a nationwide survey of monthly rental costs (\$816), but 37th highest in median household income (\$39,937).<sup>7</sup>

A similar survey, the 2002 Housing and Vacancy Survey (HVS),<sup>8</sup> found a citywide vacancy rate of 2.94%, well below the 5% threshold required for rent regulation to continue under State law. It also found a median gross rent-to-income ratio of 28.4%,<sup>9</sup> meaning that half of all households residing in rental housing pay more than 28.4% of their income in gross rent, and half pay less. In addition, more than a quarter (25.7%) 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.<sup>10</sup> More detailed 2002 HVS data can be found in the two previous *Income & Affordability Studies*, or in Appendix D of the *Housing NYC* book, published annually by the RGB.

A number of studies have chronicled the difficulty New Yorkers face in finding affordable housing, including an annual study by the National Low Income Housing Coalition that 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 \$19.58 per hour, or \$40,720 a year. Alternately, those who earn minimum wage would have to work the equivalent of 131 hours a week (or two people residing together would each have to work 65.5 hours a week) to be able to afford a two-bedroom unit priced at FMR.<sup>11</sup>

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A May 2003 report studied housing affordability nationwide for people with disabilities who receive federal Supplemental Security Income (SSI) benefits. The report examined income from SSI benefits as compared to HUD Fair Market Rents in metropolitan areas nationwide. The report found that 132 metropolitan areas had one-bedroom fair market rents that were higher than monthly SSI payments. Of these 132 areas, New York City ranked 23rd highest, with rents for one-bedroom apartments exceeding SSI payments by more than 43%. Rents for studio apartments ran 29% higher than monthly SSI payments.<sup>12</sup>

Another report, published by the Women's Center for Education and Career Advancement, focused on the income needs of families living in New York City. Relying on fair market rents and estimates of other non-housing needs, the report calculates a "self-sufficiency wage" for each of the five boroughs for single adults and families, defined as the minimum amount of money needed to realistically survive in NYC.<sup>13</sup> The report found that for single adults, the self-sufficiency wage between 2000 and 2004 increased anywhere between a low of 14% in North Manhattan<sup>14</sup> to a high of 42% in South Manhattan, where the self-sufficiency wage was highest, \$40,048. Other selected results include an increase of 6% in North Manhattan for a one adult/one child household (reaching \$36,481), 20% in Queens for a single adult/two child household (to reach \$54,961), and an increase of 19% in Brooklyn for a two adult/two child household (reaching \$57,234). Housing costs are estimated to have risen 17% over the four year period for all of New York City.

In "An Update on Urban Hardship," the Nelson A. Rockefeller Institute of Government compares whether urban areas have increased or decreased their hardship levels between 1970 and 2000 using six criteria — unemployment rates, dependency rates (i.e. percentage or population under the age of 18 or over 64), education levels, per capita income, prevalence of crowded housing (defined as more than one person per room), and poverty levels. The study found that in 2000, New York City ranked 10th worst in the list of 86 cities studied, a rise from 28th in 1970. This was one of the largest downward moves of cities in the study.<sup>15</sup>

Due to affect New Yorkers now and for at least the next few years are plans by the Bush administration to

reduce federal funding to the Section 8 program. The program allows recipients to rent apartments in the private marketplace, generally paying 30% of their income towards rent while the program makes up the difference. The New York City Housing Authority recently estimated that they will get \$50 million less than their 2005 budget request, reducing the number of vouchers by approximately 6,000,<sup>16</sup> while an independent think tank estimated that by 2010 the number of vouchers available citywide would be reduced by 20,000.<sup>17</sup>

## Public Assistance Programs

After falling significantly for many years, public assistance caseloads rose this year for the first time since 1993, after dropping slightly in 2003. Public assistance rolls are made up of two main programs: the Family Assistance Program (FAP) and the Safety Net Assistance (SNA) program.<sup>18</sup> The Mayor's Management Report discloses that during Fiscal Year (FY) 2004, 437,400 persons were receiving public assistance through these two programs, an increase of 3.8% (15,900 persons) from a year earlier (see graph on following page).<sup>19</sup>

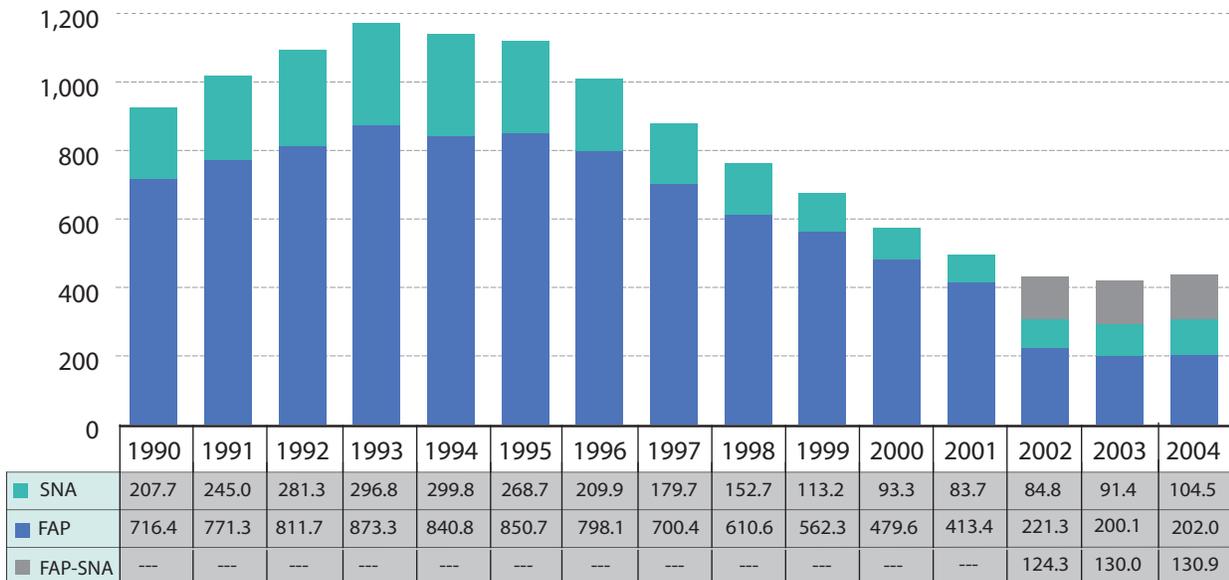
In addition to the increase in public assistance recipients during FY 2004, applications for public assistance also rose over FY 2003 levels, increasing by 5.9%. Despite this year's increase in caseloads and applications, over the last nine years the number of public assistance recipients has dropped significantly, falling 62.3% since March 1995, when the City's welfare reform initiative began and 1,161,000 recipients were on the rolls.

During the first four months of FY 2005, the most recent period for which data is available, public assistance caseloads are up 1.1%, or 4,900 cases from the same period the previous year, for a total of 437,700 persons, just 300 more cases than July 2004 levels. Overall, there was a 2.0% decrease in the number of new public assistance applications during the first four months of FY 2005, following increases in each of the previous two years.

The Mayor's Management Report also tracks the number of recipients of FAP that participate in work activities. In FY 2004, 37.0% of FAP families worked, a decrease of 1.2 percentage points from the previous year. During the first four months of FY 2005, 36.3% of FAP

## Family Assistance Program (FAP) and Safety Net Assistance (SNA), FY 1990-FY 2004

### Public Assistance Caseloads Increase Slightly



Note: FAP-SNA refers to welfare recipients who were converted from the Family Assistance Program to the Safety Net Assistance Program

Source: Mayor's Management Reports, FY's 1990 - FY 2004

families participated in work activities, up just slightly from 36.1% last year, but down from 49.3% in FY 2002. The number of reported job placements among public assistance recipients (excluding placements through the Workforce Investment Act) also dipped, down 7.2% during FY 2004, to 78,486. Between July and October, placements are up almost 19% from the same period the prior year.

And after declining for three consecutive years, the number of food stamps recipients began increasing again in FY 2003 and FY 2004. Levels are now their highest in five years — 991,800 persons, up 13.8% from last year and 20.9% from FY 2002. That number increased again during the beginning third of FY 2005, rising 13.5% from the same period the previous year and 5.1% over final FY 2004 rates to reach 1.04 million.

## 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 2004 calendar year,

NYC received \$913 million from federally funded programs. These programs included \$262.5 million in a Community Development Block Grant (CDBG), which funds housing and community development programs; \$128.6 million for the HOME Investment Partnership Program, which helps preserve existing housing stock; \$8.1 million for the Emergency Shelter Grant (ESG) program, which is used for homeless programs; and \$60.4 million for Housing Opportunities for Persons with AIDS (HOPWA). In 2005, the City expects to receive \$877.7 million for federally funded programs, which represents a 3.9% nominal decrease over 2004 levels, and a 7.5% decrease in inflation-adjusted dollars.<sup>20</sup>

With the City facing significant budget problems, it has received permission from the federal government to use more of its CDBG dollars (approximately \$19 million) for a variety of public services in FY 2003, 2004, and 2005 that normally would not be funded in this way, thus reducing the amount of money actually allocated for housing. The Department of City Planning expects the City to receive similar permission for reallocation in FY 2006.

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## Evictions & Homelessness

### Homelessness & Emergency Assistance

Homelessness in the City, based on visits to City shelters, remained at record levels during fiscal year 2004. During FY 2004, an average of 38,136 persons stayed in City shelters, up 711 persons, or 1.9%, from a year earlier, and 23.3% from FY 2002. The increase in the number of single adults staying in City shelters was even greater, with an average of 8,445 staying in shelters in FY 2004, 6.1% higher than during FY 2003, and 10.2% higher than in FY 2002. The number of families in shelters also increased, up 1.6% over the year and 30.4% over the past two years to reach 9,109. There was a slight increase of 0.4% in the number of children staying in City shelters during FY 2004, reaching 16,404, 25.4% higher than FY 2002 levels.<sup>21</sup>

During the first third of FY 2005, homelessness began decreasing, falling 4.2% among all individuals as compared to the same period the previous year and 4.0% over total FY 2004 averages, an average of 36,660 persons. Homeless children levels fell by an even greater amount, decreasing by 8.8% over the year to 15,396. Families in shelters also fell during the start of FY 2005, declining by 4.3% to an average of 8,828. However, the number of single adults utilizing shelters did rise during the first third of FY 2005, increasing by 4.5% as compared to the same period the previous year, but at 8,843 persons was virtually identical to total FY 2004 averages.

The number of families relocated to permanent housing increased in FY 2004, to a total of 7,006, 32.5% higher than during FY 2003. However the average number of days in temporary housing rose over the same period, increasing by almost 5 1/2 weeks (12.5%) to reach an average of close to 49 weeks. The number of families found ineligible for temporary housing also increased, rising 26.9% to 11,952.

During the beginning four months of FY 2005, both the number of families relocated to permanent housing as well as the average days in temporary housing remained virtually unchanged from the same period a year earlier. An average of just two additional families were relocated to permanent housing between July and October 2004 as compared to the same period in FY 2004, a total of 2,321 families. Similarly, the average

time spent in temporary housing decreased from 334 days to 333 days during this same time frame. In addition, after almost doubling last year, the number of families found ineligible for temporary housing fell 7.8% during the first four months of FY 2005, decreasing to 4,664 families.

In December of 2004, the Department of Homeless Services implemented a new program aimed at moving the homeless population off of dwindling Section 8 vouchers and to a new rent subsidy called "Housing Stability Plus (HSP)." The Bloomberg Administration hopes that up to 6,500 homeless families a year can find permanent housing with these vouchers, which drop in value by 20% every year for five years until expiring completely. HSP vouchers, which are generally worth less than Section 8 vouchers, can be combined with public assistance shelter allowances to help bridge the gap between income and rent.<sup>22</sup>

Through this initiative and a number of others, including expanded drop-in centers and housing court initiatives, the administration hopes to cut the number of homeless people in shelters by 25,000 persons by 2009.<sup>23</sup> Critics counter that the new plan may increase homelessness rather than decrease it because homeless families will no longer have priority for Section 8 or public housing vacancies, they will have difficulty supplementing their income to compensate for the annual decreases in the value of the vouchers, and because landlords may be reluctant to rent apartments to participants in the program.<sup>24</sup>

### Housing Court

Another useful way to assess 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. To measure the number of households experiencing the most severe affordability problems, evictions are also tracked.

After increases in 2002 (19.4%), the number of non-payment filings in Housing Court decreased by 4.0% in 2003, and another 17.9% in 2004 to reach 261,085.<sup>25</sup> While court filings decreased in 2004, the proportion of cases resulting in an actual court

appointment (“calendared”) increased almost five percentage points, up to 46.7% from 41.8% last year, the second highest proportion the RGB has ever recorded. During the mid-to-late 1980s, an average of 27.1% of non-payment filings were calendared. That figure has climbed steadily since then, reaching a high of 47.2% in 2001. Of the 261,085 non-payment filings during 2004, 67,563 were filed against tenants of New York City Housing Authority buildings, with 18,644 of these filings resulting in a court appearance.<sup>26</sup>

The proportion of non-payment proceedings Citywide that resulted in an eviction/possession ruling in 2003 (the most recent year that data is currently available for), remained virtually the same as the prior year, down from 17.9% in 2002 to 17.5% in 2003. This translates to 23,236 court decisions ruled for the tenant’s eviction from a total of 133,074 non-payment proceedings.<sup>27</sup> This proportion remains 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

For the first time since 2000, New York City’s economy rallied from an almost three-year-long recession, as reflected in increasing Gross City Product, falling unemployment rates and eviction proceedings, and increasing employment levels. The City pulled out of a recession during the fourth quarter of 2003, and during 2004 Gross City Product increased 2.4%. Unemployment rates dropped significantly, falling 1.2 percentage points Citywide, from 8.3% to 7.1%. And total employment levels rose slightly, up 10,000 jobs, the first increase since 2000. Filings in housing court also dropped in 2004, falling 17.9%, the second consecutive decrease in filings after large gains in 2002.

But indicators of the economic health of NYC were mixed, with real wages falling, homelessness levels high, food stamp recipients increasing, and public assistance levels rising for the first time since FY 1993. Although nominal wages increased by 1.5% in 2003, real wages fell 1.5%, following a drop of 5.0% the prior year. One of the most highly paid sectors, management of companies, saw a drop in real wages of almost 14%, in addition to job losses of 5%. Homelessness has

remained at record levels, increasing by 1.9% during FY 2004, but falling during the beginning months of FY 2005, while food stamp recipients increased during both time periods. The number of public assistance recipients rose 3.8% during FY 2004, and again in the first four months of FY 2005, the first increase since welfare reform initiatives of the mid-1990s. □

## Endnotes

1. GCP figures are adjusted annually by the New York City Comptroller’s Office. The figures in this report are the latest available estimate from that office, based on inflation adjusted 2000 chained dollars.
2. “NYC’s Economy Grew in 4Q04,” Economic Notes, NYC Comptroller’s Office, March 2005.
3. 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.
4. 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*.
5. 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. Two new NAIC categories, which are discussed in this report, include “information” and “management of companies.” 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](http://www.labor.state.ny.us/labor_market/lmi_business/employ/naicsfaqs.htm).
6. “Poverty in New York City, 2003: Where is the Recovery? Where was the Recession?” Community Service Society (CSS) of New York, September, 2004. Based on study of U.S. Census Bureau data. Study averaged two consecutive years of census data in calculating poverty rates.
7. 2003 American Community Survey, U.S. Census Bureau. <http://www.census.gov/acs/www/index.html>
8. 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.
9. This ratio, as reported in published tables of the 2002 Housing and Vacancy Survey by the U.S. Census Bureau, includes all households, including those with a gross rent-to-income ratio exceeding 100%. The ratio excluding those households with gross rent-to-income ratios exceeding 100% would be 26.7%. This statistic came directly from the U.S. Census Bureau at the request of the Rent Guidelines Board and cannot be duplicated in publicly available microdata because of “topcoding” issues. In addition, the gross rent-to-income ratio of 28.4% presented in this report differs slightly from rates presented in the past two reports, which were based on preliminary numbers. The statistic for the ratio of 25.7% of households with gross rent-to-income ratios greater than 50% was similarly changed.

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10. 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).
  11. National Low Income Housing Coalition report, "Out of Reach 2004," December, 2004.
  12. "Priced Out in 2002," Technical Assistance Collaborative, Inc. and Consortium for Citizens with Disabilities Housing Task Force. May, 2003.
  13. "The Self-Sufficiency Standard for the City of New York 2004," Women's Center for Education and Career Advancement. December, 2004. The self-sufficiency wage includes "housing, child care, food, transportation, health care, miscellaneous expenses (clothing, shoes, household items, telephone, etc.) and federal, state and local taxes."
  14. "North Manhattan" is defined in the report as Manhattan north of 110th Street on the West Side and north of 96th Street on the East Side. "South Manhattan" would be the balance of Manhattan.
  15. "An Update on Urban Hardship," The Nelson A. Rockefeller Institute of Government. August, 2004.
  16. "HUD Aid Short by \$50 Million, City Reports," *New York Times*, David W. Chen. January 27, 2005.
  17. Estimates from the Center on Budget and Policy Priorities. Revised March 8, 2005.
  18. 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 to the SNA program after their federal benefits expired.
  19. *Mayor's Management Reports*, Fiscal Year 1995 - Preliminary Fiscal Year 2005.
  20. *Consolidated Plan 2004 and Consolidated Plan 2005*, NYC Dept. of City Planning.
  21. Source: NYC Dept. of Homeless Services, shelter census reports.
  22. "Evaluating the Fiscal Impact of the Housing Stability Plus Program," New York City Independent Budget Office. March, 2005.
  23. "Bloomberg Sets Detailed Plan to Cut Number of Homeless," *The New York Times*, Leslie Kaufman. September 23, 2004.
  24. "The Bloomberg Administration's Flawed Homeless Rental Assistance Plan: A Misguided Plan with Opportunities for Effective Change," Policy Brief, Coalition for the Homeless. November, 2004.
  25. Civil Court of the City of New York data.
  26. The New York City Housing Authority is required by law to begin non-payment proceedings 14 days after the rent due date.
  27. NYC Department of Investigation, Bureau of Auditors data.

# Appendix: Income and Affordability Study

## 1. Average Annual Employment Statistics by Area, 1993-2004

Unemployment Rate	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Bronx	11.9%	10.0%	9.6%	10.6%	11.6%	10.0%	8.1%	Ω	Ω	Ω	Ω	9.1%
Brooklyn	11.2%	9.7%	9.2%	10.0%	10.7%	9.4%	7.8%	Ω	Ω	Ω	Ω	7.7%
Manhattan	8.8%	7.6%	7.0%	7.4%	7.8%	6.8%	5.7%	Ω	Ω	Ω	Ω	6.2%
Queens	9.5%	8.2%	7.6%	8.1%	8.5%	7.0%	5.9%	Ω	Ω	Ω	Ω	6.4%
Staten Island	9.2%	7.8%	7.4%	7.8%	8.4%	6.9%	5.8%	Ω	Ω	Ω	Ω	6.3%
<b>NYC</b>	<b>10.4%</b>	<b>8.7%</b>	<b>8.2%</b>	<b>8.8%</b>	<b>9.4%</b>	<b>8.0%</b>	<b>6.7%</b>	<b>5.7%</b>	<b>6.1%</b>	<b>7.9%</b>	<b>8.3%</b>	<b>7.1%</b>
<b>U.S.</b>	<b>6.9%</b>	<b>6.1%</b>	<b>5.6%</b>	<b>5.4%</b>	<b>4.9%</b>	<b>4.5%</b>	<b>4.2%</b>	<b>4.0%</b>	<b>4.7%</b>	<b>5.8%</b>	<b>6.0%</b>	<b>5.5%</b>
<b>Labor Force Participation Rate</b>												
NYC Δ	55.9%	55.5%	55.5%	56.7%	58.6%	58.7%	59.0%	59.0%	58.6%	59.3%	58.9%	59.0%
U.S.	66.3%	66.6%	66.6%	66.8%	67.1%	67.1%	67.1%	67.1%	66.8%	66.6%	66.2%	66.0%
<b>Employment-Population Ratio</b>												
NYC Δ	50.1%	50.6%	50.9%	51.7%	53.1%	54.0%	54.9%	55.6%	55.0%	54.5%	54.0%	54.8%
U.S.	61.7%	62.5%	62.9%	63.2%	63.8%	64.1%	64.3%	64.4%	63.7%	62.7%	62.3%	62.3%
<b>Gross City Product (NYC)</b> (billions, in 2000 \$)	314.6	322.1	334.5	351.5	370.3	394.7	415.3	437.8	431.8	415.4	405.3	415.1
% Change	1.32%	2.38%	3.85%	5.08%	5.35%	6.59%	5.22%	5.42%	-1.37%	-3.80%	-2.43%	2.42%
<b>Gross Domestic Product (U.S.)</b> (billions, in 2000 \$)	7,532.7	7,835.5	8,031.7	8,328.9	8,703.5	9,066.9	9,470.3	9,817.0	9,890.7	10,074.8	10,381.3	10,837.2
% Change	2.67%	4.02%	2.50%	3.70%	4.50%	4.17%	4.45%	3.66%	0.75%	1.86%	3.04%	4.39%

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.

Δ Unpublished data from the Bureau of Labor Statistics. These figures are revised periodically. Ω Data is currently being revised for 2000-2003.

## 2. Average Payroll Employment by Industry for NYC, 1995-2004 (in thousands)

Industry Employment	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2003-2004 Change
Manufacturing	207.8	200.5	201.2	195.9	186.8	176.8	155.5	139.4	126.6	119.9	-5.3%
Construction, Natural Resources & Mining Δ	89.8	90.9	93.5	101.3	112.5	120.5	122.1	115.8	112.7	111.1	-1.42%
Trade, Transport & Utilities	532.5	533.0	538.3	542.0	556.3	569.6	557.3	536.5	533.6	538.0	0.8%
Leisure & Hospitality	208.5	216.6	227.9	235.8	243.7	256.7	260.1	255.3	260.3	268.6	3.2%
Financial Activities	467.2	464.2	467.7	477.3	481.0	488.8	473.6	445.1	433.6	434.6	0.2%
Information	154.4	158.9	162.6	166.5	172.8	187.3	200.4	176.9	163.9	161.8	-1.3%
Management of Companies	53.7	56.4	56.2	58.5	57.3	52.6	54.7	58.4	58.9	56.0	-4.9%
Professional & Business Svcs.	444.8	468.4	493.7	525.2	552.9	586.5	581.9	550.4	536.6	537.4	0.1%
Educational & Health Svcs.	551.6	565.5	576.2	588.7	605.7	620.1	627.1	646.0	658.2	666.6	1.3%
Other Services	122.6	125.2	129.3	133.9	141.5	147.4	148.7	149.7	149.1	149.9	0.5%
<b>Total Private Sector</b>	<b>2,779.2</b>	<b>2,823.2</b>	<b>2,890.4</b>	<b>2,966.5</b>	<b>3,053.2</b>	<b>3,153.6</b>	<b>3,126.7</b>	<b>3,015.0</b>	<b>2,974.5</b>	<b>2,987.9</b>	<b>0.5%</b>
<b>Government α</b>	<b>560.1</b>	<b>546.0</b>	<b>551.5</b>	<b>561.5</b>	<b>567.5</b>	<b>569.5</b>	<b>565.4</b>	<b>568.6</b>	<b>557.2</b>	<b>553.8</b>	<b>-0.6%</b>
City of New York	439.0	429.9	438.4	448.1	453.3	451.8	450.8	456.2	448.3	446.8	-0.3%
<b>Total</b>	<b>3,339.3</b>	<b>3,369.2</b>	<b>3,441.9</b>	<b>3,528.0</b>	<b>3,620.7</b>	<b>3,723.1</b>	<b>3,692.1</b>	<b>3,583.5</b>	<b>3,531.7</b>	<b>3,541.7</b>	<b>0.3%</b>

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.

Δ Beginning in 2005, Construction and Natural Resources & Mining are no longer two separate employment sectors. Prior year figures reflect that change.

α Government includes federal, state, and local (City of New York) jobs located in New York City. 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, 1997-2003 (2003 dollars)

Industry	SIC CLASSIFICATION SYSTEM					NAICS CLASSIFICATION SYSTEM				2002-03 % Change
	1997	1998	1999	2000	2001	2000	2001	2002	2003	
Construction	\$50,808	\$52,648	\$53,791	\$55,955	\$58,001	\$56,533	\$58,525	\$57,809	\$57,594	-0.4%
Manufacturing	\$53,770	\$59,108	\$59,064	\$63,155	\$64,990	\$38,708	\$40,344	\$41,634	\$42,725	2.6%
Transportation	\$55,332	\$57,759	\$57,907	\$58,472	\$59,129	\$41,917	\$43,111	\$43,318	\$42,332	-2.3%
Trade	\$36,893	\$37,892	\$38,340	\$37,681	\$37,465	\$41,874	\$42,064	\$41,896	\$41,680	-0.5%
FIRE	\$122,831	\$131,823	\$136,472	\$159,020	\$161,388	\$154,756	\$157,170	\$139,560	\$135,275	-3.1%
Services	\$45,244	\$47,364	\$48,612	\$50,268	\$50,000	\$46,501	\$46,239	\$45,367	\$45,549	0.4%
Information	Ω	Ω	Ω	Ω	Ω	\$81,475	\$83,158	\$80,709	\$84,317	4.5%
Management of Co.'s	Ω	Ω	Ω	Ω	Ω	\$161,140	\$156,164	\$162,208	\$139,837	-13.8%
Private Sector	\$58,056	\$61,311	\$62,467	\$66,717	\$67,306	\$66,717	\$67,306	\$63,624	\$62,485	-1.8%
Government	\$49,397	\$48,197	\$49,407	\$49,254	\$49,240	\$49,254	\$49,240	\$49,044	\$49,186	0.3%
<b>Total Industries</b>	<b>\$56,741</b>	<b>\$59,256</b>	<b>\$60,439</b>	<b>\$64,058</b>	<b>\$64,536</b>	<b>\$64,058</b>	<b>\$64,536</b>	<b>\$61,289</b>	<b>\$60,365</b>	<b>-1.5%</b>

Note: The New York State Department of Labor revises the statistics annually. Real wages reflect 2003 dollars and differ from those found in this table in prior years.

Ω Statistic not available. These categories were created when the NYS Dept. of Labor began tracking wages with the NAICS Classification System in 2000.

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

### 4. Average Nominal Wage Rates by Industry for NYC, 1997-2003

Industry	SIC CLASSIFICATION SYSTEM					NAICS CLASSIFICATION SYSTEM				2002-03 % Change
	1997	1998	1999	2000	2000	2000	2001	2002	2003	
Construction	\$43,873	\$46,207	\$48,134	\$51,627	\$54,863	\$52,160	\$55,359	\$56,085	\$57,594	2.7%
Manufacturing	\$46,430	\$51,876	\$52,853	\$58,270	\$61,474	\$35,714	\$38,162	\$40,392	\$42,725	5.8%
Transportation	\$47,779	\$50,693	\$51,817	\$53,949	\$55,930	\$38,675	\$40,779	\$42,026	\$42,332	0.7%
Trade	\$31,857	\$33,256	\$34,309	\$34,767	\$35,438	\$38,635	\$39,789	\$40,646	\$41,680	2.5%
FIRE	\$106,064	\$115,695	\$122,121	\$146,720	\$152,658	\$142,785	\$148,668	\$135,397	\$135,275	-0.1%
Services	\$39,068	\$41,569	\$43,500	\$46,380	\$47,295	\$42,904	\$43,738	\$44,014	\$45,549	3.5%
Information	Ω	Ω	Ω	Ω	Ω	\$75,173	\$78,660	\$78,302	\$84,317	7.7%
Management of Co.'s	Ω	Ω	Ω	Ω	Ω	\$148,676	\$147,716	\$157,370	\$139,837	-11.1%
Private Sector	\$50,132	\$53,810	\$55,898	\$61,556	\$63,665	\$61,556	\$63,665	\$61,726	\$62,485	1.2%
Government	\$42,654	\$42,300	\$44,212	\$45,444	\$46,576	\$45,444	\$46,576	\$47,581	\$49,186	3.4%
<b>Total Industries</b>	<b>\$48,996</b>	<b>\$52,006</b>	<b>\$54,083</b>	<b>\$59,103</b>	<b>\$61,046</b>	<b>\$59,103</b>	<b>\$61,045</b>	<b>\$59,461</b>	<b>\$60,365</b>	<b>1.5%</b>

Note: The New York State Department of Labor revises the statistics annually.

Ω Statistic not available. These categories were created when the NYS Dept. of Labor began tracking wages with the NAICS Classification System in 2000.

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

## 5. New York City Population Statistics, 1900-2003

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%
2003	<b>1,363,198</b>	<b>2,472,523</b>	<b>1,564,798</b>	<b>2,225,486</b>	<b>459,737</b>	<b>8,085,742</b>	<b>0.2%<math>\Delta</math></b>

Note: 1900-2000 figures as of April 1 of each year. 2003 figures is of July 1 of that 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.

$\Delta$  Percentage change is from 2002-2003. Source: U.S. Census Bureau, Population Division

## 6. Consumer Price Index for All Urban Consumers, NY-Northeastern NJ, 1994-2004

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
March	157.9	160.9	166.5	170.7	173.0	175.5	181.5	186.4	191.1	197.1	203.4
June	157.8	162.2	166.5	170.3	173.1	176.8	182.0	188.3	191.5	196.9	206.0
September	159.0	163.2	168.2	171.7	174.4	178.2	184.4	188.0	193.3	199.6	205.9
December	158.9	163.7	168.5	171.9	174.7	178.6	184.2	187.3	193.1	199.3	206.8
Quarterly Average	158.4	162.5	167.4	171.2	173.8	177.3	183.0	187.5	192.3	198.2	205.5
<b>Yearly Average</b>	<b>158.2</b>	<b>162.2</b>	<b>166.9</b>	<b>170.8</b>	<b>173.6</b>	<b>177.0</b>	<b>182.5</b>	<b>187.1</b>	<b>191.9</b>	<b>197.8</b>	<b>204.8</b>

### 12-month percentage change in the CPI

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
March	2.47%	1.90%	3.48%	2.52%	1.35%	1.45%	3.42%	2.70%	2.52%	3.14%	3.20%
June	2.33%	2.79%	2.70%	2.28%	1.64%	2.14%	2.94%	3.46%	1.70%	2.82%	4.62%
September	2.38%	2.64%	3.06%	2.08%	1.57%	2.18%	3.48%	1.95%	2.82%	3.26%	3.16%
December	2.12%	3.02%	2.90%	2.02%	1.63%	2.23%	3.14%	1.68%	3.10%	3.21%	3.76%
Quarterly Average	2.33%	2.59%	3.03%	2.22%	1.55%	2.00%	3.24%	2.45%	2.53%	3.11%	3.68%
<b>Yearly Average</b>	<b>2.39%</b>	<b>2.53%</b>	<b>2.90%</b>	<b>2.34%</b>	<b>1.64%</b>	<b>1.96%</b>	<b>3.11%</b>	<b>2.52%</b>	<b>2.57%</b>	<b>3.07%</b>	<b>3.54%</b>

Source: U.S. Bureau of Labor Statistics; Base Period: 1982-1984=100

## 7. Housing Court Actions, 1985-2004

Year	Filings	Calendared	Evictions & Possessions	Year	Filings	Calendared	Evictions & Possessions
1985	335,000	82,000	20,283	1995	266,000	112,000	22,806
1986	312,000	81,000	23,318	1996	278,000	113,000	24,370
1987	301,000	77,000	25,761	1997	274,000	111,000	24,995
1988	299,000	92,000	24,230	1998	278,156	127,851	23,454
1989	299,000	99,000	25,188	1999	276,142	123,399	22,676
1990	297,000	101,000	23,578	2000	276,159	125,787	23,830
1991	302,000	114,000	20,432	2001	277,440	130,897	21,369*
1992	289,000	122,000	22,098	2002	331,309	132,148	23,697
1993	295,000	124,000	21,937	2003	318,077	133,074	23,236
1994	294,000	123,000	23,970	<b>2004</b>	<b>261,085</b>	<b>121,999</b>	$\Omega$

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.

$\Omega$  Statistic not yet available

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