Citywide No Net Loss

This tool would prevent the number of rental units that are affordable to households at or below a specified Area Median Income level or range from dropping below the number of such units established at a baseline year.

**Status In NYC**
Discussion

**Status Elsewhere**
Enacted

**For NYC:**

**POLICY OBJECTIVE:**
The primary objective of a Citywide No Net Loss policy is to prevent any losses to the number of affordable units in total or at a specified AMI level or range.

**HOW MIGHT IT WORK?**
There are three common strategies for a No Net Loss policy:

- Dedicate a fund to create or maintain affordable units to maintain the No Net Loss policy. Funding could be used for units at-risk of loss and in need of subsidized maintenance and/or rehabilitation.

- Enact regulations that limit or prohibit the conversion or demolition of affordable housing or regulations that create the one-for-one replacement requirements for developers who demolish or take affordable housing units off the market.

- Hybrid strategies of both funding and regulatory approaches

The most effective No Net Loss policies establish a goal of no net loss of affordable units not only in total, but by income level (percent AMI).

**WHO WOULD BENEFIT?**
Targeted to help: Low- to middle-income tenants.
Potential Impact: New York City loses an average of more than 11,000 affordable units per year.
Citywide No Net Loss

This tool would prevent the number of rental units that are affordable to households at or below a specified Area Median Income level or range from dropping below the number of such units established at a baseline year.

For NYC:

HOW WOULD IT BE ENACTED?
City legislation

HOW WOULD IT BE ENFORCED?
By the Department of Housing Preservation and Development and/or the Department of Buildings.

WHAT IS THE FEASIBILITY FOR ACHIEVING THIS IN NYC?
Potential Proponents:
- Community Development Corporations
- Affordable housing advocates
- Tenants rights advocates

Potential Opponents:
- Real estate industry
- Middle- and small-scale real estate developers
- Real estate venture capital and investors

Challenges:
- The law's effectiveness can vary based on implementation.
- Requires an accurate and up-to-date inventory of affordable units, which could include only dedicated affordable units (those with legal restrictions maintaining their affordability) or dedicated affordable units and units that are considered “naturally” affordable because rent is low (due to unit quality, location, or other market factors).
- Requires the rigorous tracking of units lost or at-risk, and an assessment of proposed development projects to determine their potential net impact on housing stock.

WHO’S INVOLVED?
No known organizations at this time
Citywide No Net Loss

This tool would prevent the number of rental units that are affordable to households at or below a specified Area Median Income level or range from dropping below the number of such units established at a baseline year.

Example Policy:

HOW DOES IT WORK?
Portland, Oregon enacted a No Net Loss policy for its Central City area. Portland tracks the number of affordable units in the Central City area by income level, and attempts to incentivize the creation of replacement housing units at each AMI level. Portland does not prohibit residential conversion or demolition on a per-project basis, but attempts to balance the number of units in the area overall through policy and funding tools.

WHO BENEFITS?
People: Low-income renters in the Center City area of Portland, OR.
Stock: Affordable income-restricted rental housing buildings in Portland’s Central City area

HOW WAS IT ENACTED?
City legislation passed by the Portland City Council and signed into law by the Mayor in 2001.

HOW IS IT ENFORCED?
Portland’s Bureau of Housing is tasked with enforcement of the law and oversight of the affordable housing preservation fund.