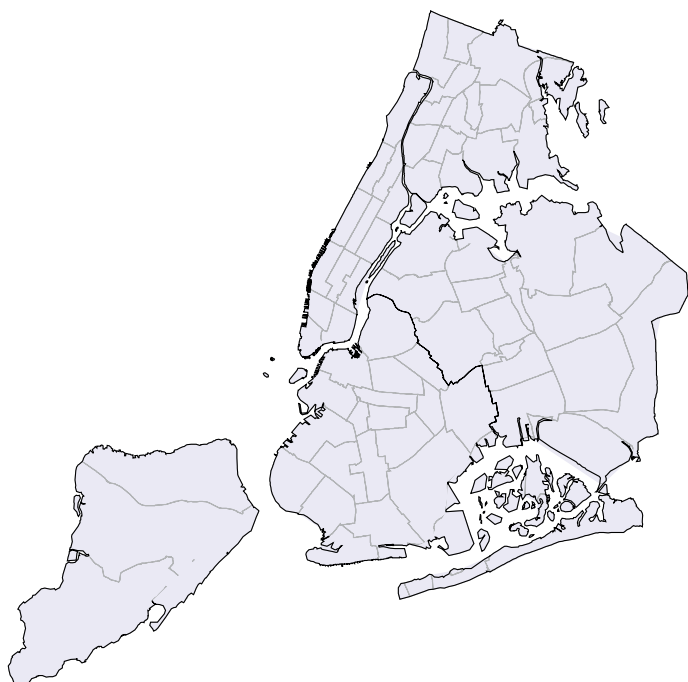


NEW YORK CITY

NEW YORK CITY



Since 1990, New York City has witnessed significant economic, political, and social changes. The City has made great strides in some areas, such as education, crime and health, but continues to struggle with a stubborn poverty rate and growing income inequality, and faces the new challenges of a rapidly increasing rate of foreclosures and instability in the lending market. Most of the changes of the last 16 years have not

	2006
Population	8,214,426
Population Density (1,000 persons per square mile)	27.1
Median Household Income	\$46,480
Income Diversity Ratio	6.1
Median Rent Burden (renter households)	30.5%
Rental Units that are Subsidized (percentage) ('05)	14.8
Rental Units that are Rent-Regulated (percentage) ('05)	52.2
Median Age of Housing Stock	75
Acres of Open Space (per 1,000 residents) ('04)	2.81

affected the City uniformly; stark disparities in social and economic outcomes continue to exist across the City's boroughs and neighborhoods.

In the last 16 years, New York City has invested billions of dollars and enormous effort to provide affordable housing for residents and to revitalize neighborhoods devastated by abandonment in the 1970s and 1980s. Mayor Koch announced his Ten Year Plan for Housing in 1985. That Plan, which lasted through both the Dinkins and Giuliani administrations, created more than 208,333 affordable housing units through new construction, rehabilitation of vacant buildings, and renovation subsidies for occupied buildings.¹ To continue the effort, Mayor Bloomberg responded to rapidly rising rents and housing prices, and the increasing burden they have created for many New Yorkers,

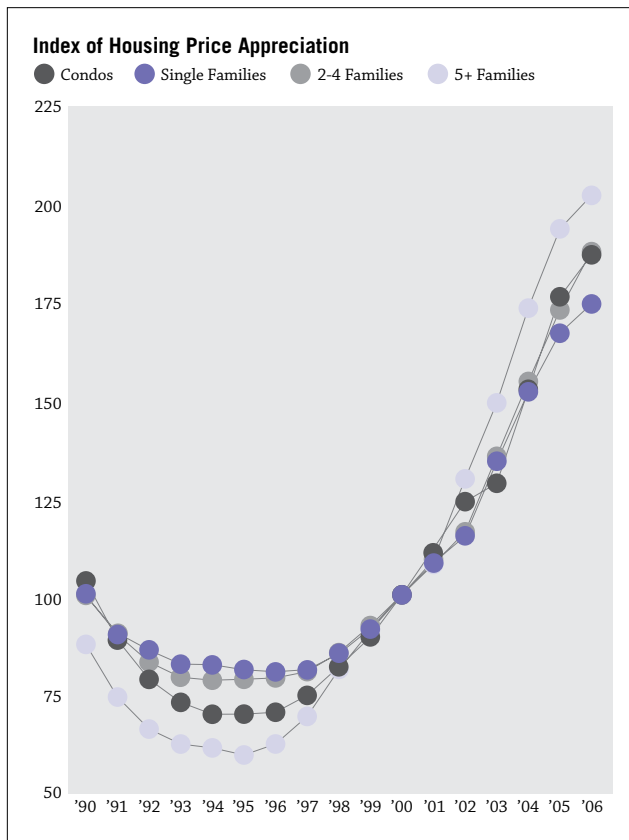
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	1990	2000	2005	2006
Housing Stock and Land Use				
Housing Units	2,992,169	3,200,912	3,275,412	3,311,119
Rental Vacancy Rate	4.1%	3.2%	3.7%	3.8%
Certificates of Occupancy	12,772	12,409	17,468	19,312
Units Authorized by New Residential Building Permits	3,624	15,544	27,430	31,453
Homeownership Rate	28.6%	30.2%	33.1%	34.4%
Vacant Land Area Rate	9.7%	7.8%	6.4%	7.0%
Housing Prices & Affordability				
Index of Housing Price Appreciation (condominium)	103.5	100.0	175.8	186.5
Index of Housing Price Appreciation (1 family building)	99.7	100.0	166.6	174.0
Index of Housing Price Appreciation (2-4 family building)	99.8	100.0	172.5	187.5
Index of Housing Price Appreciation (5+ family building)	87.4	100.0	193.1	201.6
Median Price per Unit (condominium)	\$272,257	\$339,512	\$482,271	\$620,000
Median Price per Unit (1 family building)	\$271,474	\$263,415	\$437,677	\$457,000
Median Price per Unit (2-4 family building)	\$156,817	\$146,341	\$246,194	\$267,500
Median Price per Unit (5+ family building)	\$45,573	\$50,732	\$95,657	\$100,000
Median Monthly Rent	\$337	\$470	\$857	\$860
Median Rent Burden (renter households)	25.6%	27.0%	31.0%	30.5%

¹ Furman Center for Real Estate and Urban Policy. (2006) "Housing Policy in New York City: A Brief History." Working Paper 06-01. New York University. <http://furmancenter.nyu.edu/publications/index.html>

	1990	2000	2005	2006
Lending Indicators				
Home Purchase Loan Rate (per 1,000 properties)	35.4	45.8	65.4	63.4
Purchase Loans that were Subprime (percentage)*	8.3%	2.6%	22.9%	19.7%
Refinance Loan Rate (per 1,000 properties)	18.6	17.8	54.0	48.6
Refinance Loans that were Subprime (percentage)*	28.0%	35.0%	32.1%	24.8%
Notices of Foreclosure (per 1,000 1-4 family properties)*	6.4	9.7	9.6	13.9
Housing Quality				
Serious Housing Code Violations (per 1,000 rental units)	21.5	51.8	57.7	55.3
Tax Delinquencies (percentage) (delinquent ≥ 1 year)	-	5.4%	1.2%	1.5%
Severe Crowding Rate (all rental units)	7.1%	9.6%	3.0%	3.4%
Median Age of Housing Stock	59	69	74	75
Social, Demographic & Income Indicators				
Population	7,322,564	8,008,278	7,956,113	8,214,426
Population Density (1,000 persons per square mile)	23.3	26.4	26.2	27.1
Foreign-Born Population (percentage)	27.9%	35.9%	36.6%	37.0%
Born in New York State (percentage)	53.1%	49.5%	49.5%	49.6%
Percent White	43.6%	36.3%	35.3%	35.6%
Percent Black	25.7%	25.5%	24.3%	24.3%
Percent Hispanic	23.8%	27.4%	28.6%	28.2%
Percent Asian	6.81%	10.78%	11.8%	11.9%
Racial Diversity Index	0.91	0.96	0.96	0.96
Median Household Income	\$33,600	\$43,200	\$45,068	\$46,480
Income Diversity Ratio	5.2	5.7	6.1	6.1
Households with Kids under 18 Years Old (percentage)	22.0%	30.0%	32.7%	32.3%
Population Aged 65 and Older (percentage)	13.0%	11.7%	11.9%	12.1%
Disabled Population (percentage)	-	-	10.4%	10.3%
Live Alone (percentage)	12.5%	12.0%	13.3%	12.2%
Live in Family Household (percentage)	80.7%	80.3%	81.2%	79.5%
Live in Group Quarters (percentage)	2.3%	2.3%	-	2.2%
Poverty Rate	19.3%	21.2%	-	19.2%
Poverty Rate: Population 65 and Older	2.1%	2.0%	-	2.3%
Poverty Rate: Population Under 18	6.9%	7.3%	-	6.7%
Unemployment Rate	9.0%	9.6%	8.4%	7.8%
Public Transportation Rate	53.4%	54.4%	56.7%	56.5%
Mean Travel Time to Work (minutes)	36.5	40.0	39.1	39.0
Felony Crime Rate (per 1,000 residents)	88.7	36.0	27.1	25.7
Adult Incarceration Rate (per 100,000 people aged 15 or older)	1,571.7	1,339.8	971.9	1,085.4
Students Performing at Grade Level in Reading (percentage)	-	36.7%	52.2%	52.2%
Students Performing at Grade Level in Math (percentage)	-	31.9%	53.4%	66.6%
Educational Attainment: No High School Diploma (percentage)	31.7%	27.7%	21.0%	21.3%
Educational Attainment: Bachelor's Degree and Higher (percentage)	23.0%	27.4%	32.2%	32.1%
Health Indicators				
Asthma Hospitalizations (per 1,000 people)*	4.6	3.3	3.2	3.1
Blood Lead Levels (per 1,000 children tested, new diagnoses)*	49.6	17.8	8.2	6.9
Infant Mortality Rate (per 1,000 births)	11.6	6.7	6	5.9
Low Birth Weight Rate (per 1,000 live births)*	89	83	90	89
Median Life Span: Males	-	-	-	71
Median Life Span: Females	-	-	-	80

* Not all data in the earliest column are from 1990. Please see Notes on page 17.



Note: Index equals 100 in 2000; see page 24.

Source: New York City Department of Finance, 2006, Furman Center

Continued from page 38

by announcing the New Housing Marketplace Plan in 2003. The New York City Department of Housing Preservation and Development reports that it has financed the construction or preservation of 69,516 units of affordable housing under the New Housing Marketplace Plan through calendar year 2007.

Even with those efforts, and the highest rates of construction the City has seen since 1990, New York City remains a tough place for middle and low-income individuals and families to find affordable housing. Housing prices in New York City dipped in the early 1990s, then rose significantly in the late '90s and continued to rise after 2000. Between 2000 and 2006, the prices of single family homes grew by 74%, prices of two-to-four family homes increased by nearly 88%, and prices of buildings with five or more units increased by over 100%.

Despite the large increase in housing prices, homeownership increased after 1990, with 34% of occupied residential units being owned city-wide in 2006. Large

variations in homeownership rates exist across the boroughs, however. The homeownership rate in Staten Island has grown by 8 percentage points to 72%, while the rate in the Bronx has grown by less than 4 percentage points since 1990, to just 22%.

As detailed earlier in our “Trends in New York City Mortgage Lending,” increasing homeownership has been accompanied by increasing use of subprime loans and piggyback mortgages. As riskier borrowing has increased, growing numbers of homeowners have been threatened with losing their homes due to defaults in mortgage payments: across the City, notices of foreclosure have jumped by 117% since 1993, and by 45% between 2005 and 2006. These risky lending patterns indicate that the City may suffer even larger numbers of foreclosures in coming years.

Although homeownership has increased throughout the city, the majority of New York City residents are renters facing a different host of issues and costs. New Yorkers now spend more of their annual income on rent than they did in 1990; in 2006, the median percentage of income spent on rent was over 30%. Residents of Manhattan pay a lower percentage of their income on rent (28%) despite higher median rents, while residents of the Bronx pay a larger share of their income on rent (33%). Rents have increased dramatically; the median monthly rent in the City has increased by over 155% in real terms between 1990 and 2006. Increasing rents may be driven in part by decreasing rental vacancy rates—in 2006 the rental vacancy rate was less than 4%. Persistently low rental vacancy rates have allowed the City to continue to invoke its “emergency” rent regulation programs; in 2005, over 50% of rental units in the City were rent-regulated. Almost 15% were rent-subsidized. Even so, the number of rental units affordable to families earning the City’s median income has shrunk dramatically: in 2005, only 69% of all rental units were affordable for families making the median household income in New York City, down from 77% just three years earlier.²

The composition of New York City’s population has changed considerably over the past 16 years. Citywide, the black and white populations have declined, while the Hispanic and Asian populations have grown signif-

Racial Diversity Index 2006

New York City	0.96
Chicago	0.93
Houston	0.91
San Jose	0.91
Dallas	0.88
San Diego	0.87
Los Angeles	0.85
Philadelphia	0.84
Phoenix	0.76
San Antonio	0.70

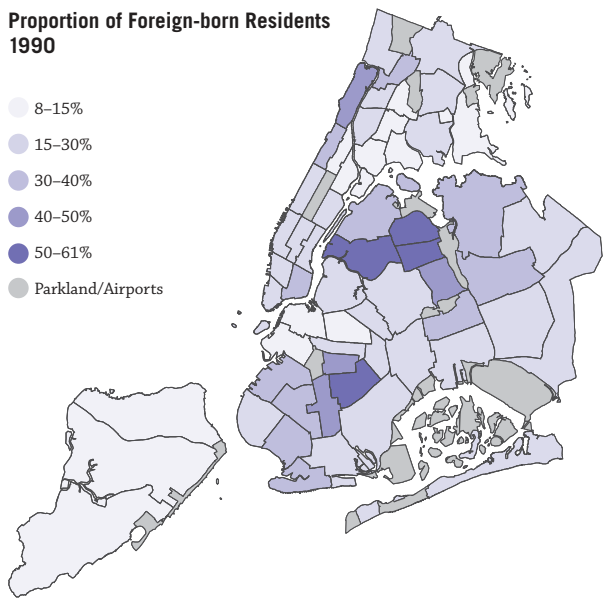
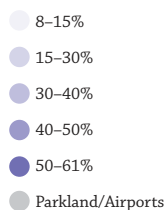
Source: U.S. Census Bureau, ACS 2006, Furman Center

icantly. The City became more racially diverse in the 1990s and has maintained this diversity thus far in this decade. As measured by the Racial Diversity Index, which assesses how likely it is that two randomly selected people from the City would be of different races, New York City is more diverse than any of the other top ten largest cities in the United States. The City has a unique mix of multiple racial and ethnic groups, whereas Chicago and Philadelphia have large African-American populations, San Antonio and Los Angeles have large Hispanic populations, and San Jose has a large Asian population. The City's immigrant population also grew dramatically between 1990 and 2006, with the share of people not born in the United States or Puerto Rico increasing by 9 percentage points.

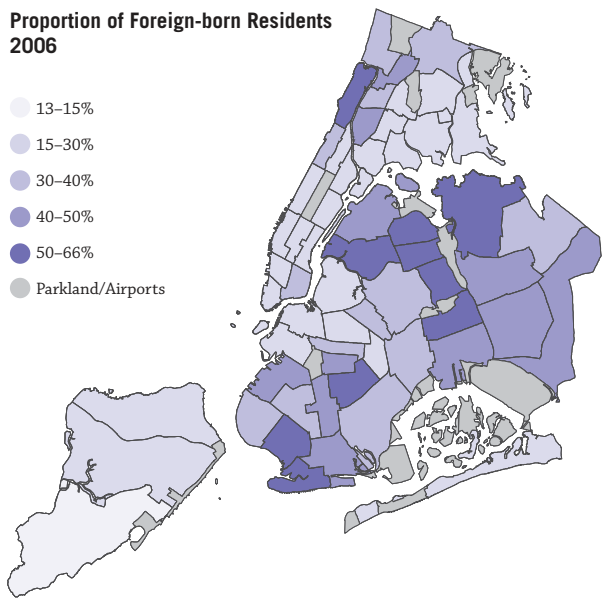
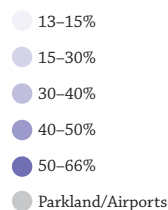
Since 1990, an increasing number of families have decided to raise their children in the five boroughs. The percent of households with children under 18 increased by 10 percentage points from 1990 to 2006,

with households with children making up 32% of all households by 2006, just below the nationwide average of 35%. Despite this increase, a smaller percentage of households in New York City have children than in most large cities in the United States, including San Jose (41%), Phoenix (39%), and San Antonio (38%). However, New York City has a larger percentage of households with children than other cities in the Northeast, namely Boston (24%), Philadelphia (29%), and Chicago (31%). Within the City, the Bronx experienced the largest increase in households with children (enjoying an almost 20 percentage point increase between 1990 and 2006), with Brooklyn (10 percentage points), Manhattan (8 percentage points), and Queens (8 percentage points) all experiencing large increases. Part of the explanation for this increase might be improved outcomes in the City's schools. Since the first test score data became available in 1999, performance has increased dramatically, especially in math. The percentage of students in grades 3 through 8 performing at grade level in math increased by nearly 35 percentage points, and performance in English increased by over 15 percentage points.

² Gedal, Mike and Voicu, Ioan. (2006) "Recent Trends in the Availability & Affordability of Housing in New York City." State of New York City's Housing & Neighborhoods 2005. Furman Center for Real Estate and Urban Policy. New York University. <http://furmancenter.nyu.edu/publications/index.html>

Proportion of Foreign-born Residents 1990

Source: U.S. Census Bureau, ACS 2006

Proportion of Foreign-born Residents 2006

Source: U.S. Census Bureau, ACS 2006

Important indicators of the health of the City's children have improved significantly since 1990 as well. Lead poisoning, asthma, low birth weight, and infant mortality have long plagued the most vulnerable young New Yorkers. Mirroring a nationwide decline in the rate of childhood lead poisoning over the past 30 years, the incidence of elevated blood lead levels in New York City has decreased dramatically since 1995, the first year of mandatory reporting in the City. Still, disparities exist between the boroughs. In 2006, the Bronx and Staten Island had the lowest rates of elevated blood lead levels, while Brooklyn had the highest rate.

The number of asthma hospitalizations has decreased by almost 33% since 1994, but the Bronx, which has suffered the highest rate of asthma hospitalizations across the 13 year period, experienced the smallest decrease. The infant mortality rate also has been on the decline since 1990, dropping to almost half the 1990 rate by 2006. Although the size of the decrease varied across the boroughs, all five boroughs experienced large and meaningful reductions. The only troubling sign is that while the number of low birth weight babies per 1,000 live births dropped between 1995 and 2000, it increased across the City between 2000 and 2005. Between 2005 and 2006, the number has begun to decrease.

Significant reductions in the felony crime rate may be another reason why families are choosing to locate in the city in greater numbers. The felony crime rate dropped by an astounding 71% between 1990 and 2006. The number of burglaries per 1,000 residents is less than one fifth what it was in 1990, and the rate of motor vehicle thefts is less than a ninth of its 1990 level.

Millions of New Yorkers commute to work each weekday, employing multiple modes of transportation. Fifty-seven percent of all commuters used public transportation to get to work in 2006, a small increase since 1990. Not surprisingly, New York City leads the country in the use of public transportation. New Yorkers, however, unfortunately spend more time commuting. The mean time spent traveling to work has increased since 1990 by 7%, and New York City commuters spend more time in transit (39 minutes in 2006) than workers in other cities with large popula-

Felony Crime Rates in New York City (per 1,000 residents)	1990	2006
Total Crime Rate	88.7	25.7
Property Crime Rate	66.9	19.2
Larceny Rate	33.5	14.4
Motor Vehicle Theft Rate	18.4	2.0
Violent Crime Rate	21.8	6.5
Burglary Rate	15.0	2.8
Robbery Rate	12.5	2.9
Assault Rate	8.6	3.4
Rape Rate	0.4	0.1
Murder Rate	0.3	0.1

Source: New York City Police Department, 1990, 2006

Travel To Work (2006)		
City	Public Transportation Rate	Mean Travel Time to Work (minutes)
New York	57%	39
Washington	41%	29
San Francisco	33%	29
Boston	33%	28
Philadelphia	27%	31
Chicago	26%	33
Atlanta	16%	26
Los Angeles	12%	29
Detroit	7%	26
Houston	5%	26
Dallas	5%	25
San Diego	4%	22
San Jose	4%	25
Phoenix	4%	25
San Antonio	4%	23

Source: U.S. Census Bureau, ACS 2006

tions. Within New York City, the largest increase in travel time was in Queens, followed by Staten Island, and then Manhattan.

While some New Yorkers must travel for long periods of time for employment, fewer are struggling to find jobs. Despite an increase in New York City's unemployment rate between 1990 and 2000, the rate has been decreasing in this decade, falling to just 8% in 2006. This rate is notably lower than the 12% unem-

ployment rate in Philadelphia in 2006, and the almost 10% rate in Chicago, but high compared to large cities in the West such as Phoenix (5%) and San Diego (5%). Still, employment experiences are not uniform across the boroughs. The unemployment rate in the Bronx increased in 2000 to 14%, and has only decreased since then to 12% in 2006. The rate of unemployment in Queens has remained stable around 7.6% over the 17 year time period, but still remains higher than in Manhattan, Brooklyn, and Staten Island. Amongst the five boroughs, Staten Island enjoys the lowest unemployment rate, at just 5% in 2006.

The median household income in New York City was \$46,480 in 2006, placing it lower than cities such as San Francisco, Washington, and Boston, but higher than Los Angeles, Chicago, Houston, and Philadelphia. Borough-level median annual incomes differ by as much as \$28,500; Manhattan (\$60,017), Queens (\$51,190), and Staten Island (\$68,620) have median household incomes above the City median, while the Bronx (\$31,494) and Brooklyn (\$40,393) have lower median incomes. More generally, the income gap in New York continues to widen, as shown by the Income Diversity Index, which measures the difference between the incomes of the households in the 80th percentile and those in the 20th percentile of the City's population. For instance, in 2006 the 80th percentile income in New York City was \$97,500, more than six times that of the 20th percentile income of \$15,230. In 1990, the ratio was just 5.2. (See page 23 for the description of the Income Diversity Index.)

The percentage of people with income below the poverty line in New York City has remained stable at around 20% (19% in both 1990 and 2006, and 21% in 2000). Poverty rates across the boroughs vary widely: in the Bronx and Brooklyn, 29% and 23% of the population is below the poverty line, respectively, while in Staten Island, only 9% of the population is poor. Compared to other cities with the largest populations in the United States in 2006, New York City's poverty rate falls between high-poverty cities such as Philadelphia (25%) and Dallas (22%) and cities with lower rates of poverty, such as San Jose (10%) and San Diego (13%).

Median Household Income (2006)

San Jose	\$73,804
San Francisco	\$65,497
San Diego	\$58,815
Washington, D.C.	\$51,847
Boston	\$47,974
Phoenix	\$46,645
New York	\$46,480
Los Angeles	\$44,445
Chicago	\$43,223
Atlanta	\$41,612
San Antonio	\$40,650
Houston	\$39,682
Dallas	\$38,276
Philadelphia	\$33,229
Detroit	\$28,364

Source: U.S. Census Bureau, ACS 2006

Overall, the quality of life for many people throughout New York City's neighborhoods has improved since 1990. Improvements are especially evident in the areas of crime, health, education and employment. As New York City becomes an increasingly popular destination for migrants from other areas and the costs of living and housing in the City continue to rise, however, disparities in the experiences of New Yorkers across different neighborhoods highlight the ongoing need for policies that more equitably distribute the City's benefits and resources.