

It's Manhattan's Last Affordable Neighborhood. But for How Long?

Inwood has the lowest average rents in the borough. Now developers and their high-rise buildings are coming.



By Matthew Haag

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For decades, Inwood has been one of New York City's untouched gems. Nestled among rivers and rolling forest at the northernmost tip of Manhattan, the 500-acre neighborhood has again and again batted away the forces of gentrification — until now.

As the city confronts an affordable housing crisis, it has finally opened up Inwood to developers, generating fear among longtime residents and business owners who take pride in a place unlike any other in Manhattan.

Leafy and hilly, and with no building over 17 stories, Inwood is the most affordable neighborhood in the city's most expensive borough.

Last August, Inwood became the fifth neighborhood to be rezoned under Mayor Bill de Blasio, a Democrat whose signature housing plan calls for major development in up to 15 areas citywide — a strategy that aims to preserve and create hundreds of thousands of below-market units.

Building restrictions have been eased in parts of Inwood to allow for much taller residential buildings, some that could stretch nearly twice the height of the current skyline.

So far, the largest and most noticeable changes, such as two towering developments near the Harlem River, exist only on paper.

Behind the scenes, though, the rezoning has already brought significant changes. After the rezoning plan was announced in 2013, years before it was enacted, real estate investors swooped into Inwood and bought more than \$610 million in properties, according to an analysis by The New York Times.

They have taken over thousands of residential units, most of which are rent-stabilized and owned by families or smaller real estate groups. The influx has fueled suspicion among tenants that the new landlords will seek to displace residents, deplete the stock of regulated units and raise rents.

“Ninety percent of the people who come into my office are coming for a housing issue,” said Assemblywoman Carmen N. De La Rosa, a Democrat who represents Inwood and supported the rezoning plan when she was chief of staff for the area's Council Member. “They are being asked to appear before court because the landlords say they owe money or they are fighting them for some other reason. Landlords are fishing for reasons to get people out.”



Residents in August discussed the city's rezoning plan, which is meant to create and preserve low-cost housing but has been met with deep skepticism.
Michelle V. Agins/The New York Times

Even before the rezoning of Inwood was approved, the city had already considered tenants there so susceptible to harassment and displacement that officials extended help, including free legal services, to those with housing issues. Since 2015, more than 11,000 tenants in Inwood have taken up the city's offer.

The city has pledged millions of dollars to build a performing arts center in Inwood and to upgrade parks and a library branch, and it has committed to conserving and constructing at least 4,100 affordable apartments.

Skyrocketing housing costs and the disappearance of reasonably priced homes have emerged as a singular threat to the long-term economy and the quality of life in major cities worldwide, like Hong Kong, San Francisco and New York. Despite widespread prosperity, they have increasingly become cost prohibitive for lower- and middle-income families.

In New York City, the de Blasio administration's efforts have picked up where former Mayor Michael R. Bloomberg left off. Mr. Bloomberg rezoned about 40 percent of the city's land, transforming neighborhoods, such as Williamsburg in Brooklyn, where luxury towers now soar.

The administration has targeted other neighborhoods, like East New York in Brooklyn, requiring that developers seeking to profit from new real estate markets also build lower-cost housing.

Vicki Been, the deputy mayor for housing and economic development, said the city's approach was necessary "to strengthen communities and create much-needed affordable housing."

"We are investing additional resources to keep people in their homes and support existing businesses," Ms. Been added.

That effort, however, has been met with resistance in the very neighborhoods it is intended to benefit, and the fight in Inwood is emblematic of a broader battle.

Opponents have gone to court to try to overturn the neighborhood's rezoning and to force improvements in a building bought by a large landlord company.

The dual lawsuits have opened a thorny debate over whether the rezoning will ultimately push out residents, invite gentrification and create housing meant to be affordable that no one there can actually afford.

"Little did they expect the fight back, which has been incredibly vocal and active in all of the neighborhood," said Tom Angotti, a professor emeritus of urban planning at Hunter College who wrote the 2016 book "Zoned Out! Race, Displacement, and City Planning in New York City."

"In Inwood, it's specifically the Dominican population that is going to be the most vulnerable," Mr. Angotti said.

Inwood has the lowest average median rents of any neighborhood in Manhattan.
Michelle V. Agins/The New York Times

But Ingrid Gould Ellen, a faculty director at the Furman Center for Real Estate & Urban Policy at New York University, said the argument that new construction would attract newcomers who drive up costs for everyone else was not necessarily true, citing a recent study by the W.E. Upjohn Institute for Employment Research, an independent organization in Michigan.

That study, which examined more than 800 newly built multifamily buildings in a dozen major American cities, including New York, found that an influx of market-rate units improved affordability. It does so through what is known as the migration chain: Some nearby residents in low-cost units who can afford to move into the new buildings, which opens up their former, more affordable apartments to new tenants, according to the research.

“This new research should help to reassure residents who worry that new housing developments will increase their rents,” Dr. Ellen said.

But in Inwood, which has about 44,000 residents, opponents argue that the neighborhood already has plenty of housing within reach of many who live there.

The median monthly rent for an Inwood apartment in July was \$2,069, about 50 percent less than the Manhattan average, according to StreetEasy. About 80 percent of the apartments there are under some form of rent regulation.

The neighborhood's median household income is roughly \$51,000, compared with nearly \$80,000 for all of Manhattan, according to 2017 census figures, and just under half of the residents are foreign born.

Residents are skeptical that any plan inviting development can insulate the neighborhood from the rampant gentrification that has swept across New York.

“We have proof in our experiences of what people are out to get from all these things and what rezoning means,” said Emmanuel Antigua, 34, one of the tenants who recently sued over the conditions in their building. “I don't see any benefit or improvement with the new management, but what I did see was harassment for the first time.”

Their new landlord, Barberry Rose Management, bought the low-rise tenement with 20 units, all of which are rent-regulated, for \$3.5 million in 2016, part of a spending spree by the company in Inwood.

But after the sale, Mr. Antigua said, residents started to notice odd inconveniences. Without warning, their lobby mailboxes were removed and not replaced for weeks, preventing mail from being delivered. A keyless front door system was installed but soon stopped working. Maintenance people regularly failed to show up for repairs.

Then last August, Barberry Rose told the tenants that their monthly rent would increase by 6 percent. And in January, the company told them that it would rise by another 6 percent.

While annual rent increases for such regulated units are typically determined by the city's Rent Guidelines Board, the company unilaterally raised rents by taking advantage of an obscure provision, known as major capital improvements, after installing a new boiler and roof. The provision allows landlords to offset the cost of such building-wide upgrades. (In June, changes to the state's rent law capped that increase at 2 percent, down from 6 percent.)

“Since they changed the boiler, we have not had consistent heat,” said Sarah McDaniel Dyer, 34, who has lived in the building for 12 years and is the president of its new tenants' association.

From left, Emmanuel Antigua, Felipe Hernandez, Sarah McDaniel Dyer and Thomas Dyer have sued the new owner of their building over living conditions.
Michelle V. Agins/The New York Times

Lewis M. Barbanel, the president of Barberry Rose Management, insisted that the company had a history of maintaining affordable housing and improving building conditions.

“We look forward to addressing false and inaccurate statements about our record,” Mr. Barbanel said in an email. “We are long-term investors in the communities which we serve, and our investment decisions were not related to the Inwood rezoning.”

The most significant changes in Inwood are expected in an industrial area east of 10th Avenue, a sparsely populated section filled with one-story warehouses, auto-repair shops and a cluster of Con Edison facilities.

Two real estate companies, Taconic Investment Partners and Madd Equities, have positioned themselves to be among the biggest beneficiaries of the rezoning. On properties the firms bought separately in 2015, they each have plans to place large mixed-use buildings that will tower over Inwood. (The companies also collectively spent several hundred thousand dollars lobbying city officials about the Inwood rezoning.)

Taconic Investment Partners plans to start construction next year on more than 700 residential units in a tower that will include some apartments that are below market value. Taconic's chief executives did not respond to a message seeking comment.

Nearby, Madd Equities plans to open a 30-story residential building with about 615 units.

Half of those units will be available to households that earn up to 60 percent of the area median income. In New York City, the median income for a family of four is \$106,700. The other half will be available to households that earn up to 135 percent of the area median income. The developers will receive tax exemptions for creating the units.

But there is no guarantee that current Inwood residents will fill up the 30-story tower. The units will be made available through a lottery system open to residents citywide.

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