

## HABITAT FOR HUMANITY – NEW YORK CITY: ATLANTIC AVENUE DEVELOPMENT

### ECONOMIC AND FISCAL IMPACT STUDY

#### Executive Summary

On behalf of Habitat for Humanity – New York City, HR&A Advisors, Inc. analyzed the projected economic and fiscal benefits to the City of New York associated with a 41-unit transit-oriented, affordable-housing condominium development that Habitat-NYC is constructing in the neighborhood of Ocean Hill-Brownsville, Brooklyn. This Habitat-NYC development is historic in that it is the largest multifamily project ever constructed by a Habitat for Humanity affiliate globally. It is also the “greenest” multifamily Habitat-NYC project ever constructed, earning a LEED Silver designation.

Habitat-NYC’s Project meets an urgent need for low-income affordable housing in New York City and, specifically, in the Ocean Hill-Brownsville community where the median household income is approximately \$20,000. Not only will the project help the City to meet its goal of creating and preserving 165,000 units of affordable housing by 2013, but its’ LEED-Silver certification will save energy costs for its future residents and will fulfill the City’s long-term sustainability goals.

HR&A’s analysis recognizes that without affordable housing developments such as Habitat-NYC’s Ocean Hill-Brownsville project, the City simply would not be able to achieve its growth forecast for population and jobs. In this context, HR&A has made the following key findings regarding the economic and fiscal impacts that Habitat-NYC will produce for the Ocean Hill-Brownsville neighborhood, borough of Brooklyn and City of New York:

- **Create Significant Investment and New Jobs for New York City.** Habitat-NYC will make an estimated **\$12.1 million capital investment** in Ocean-Hill Brownsville. In addition to nearly 7,000 volunteers, this investment will support **111 jobs** for New Yorkers over the course of the construction period. In total, the Project’s development will contribute more than **\$20 million of economic activity** to the City of New York.

<b>Economic Activity</b>	
Direct Economic Activity	\$12.1 million
Habitat-NYC and volunteer spending, events and transportation	\$0.15 million
Indirect and Induced Economic Activity	\$8.2 million
<b>Total</b>	<b>\$20.45 million</b>

- **Contribute to Neighborhood Revitalization.** In addition to providing affordable home-ownership opportunities for 41 low-income families, Habitat-NYC’s construction and volunteer efforts will channel nearly **\$2 million to businesses in the Ocean Hill-Brownsville community** – ranging from purchases of construction materials to lunches for volunteers. This local spending is subset of the overall economic impact.

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- **Retain Consumer Spending in New York City.** The provision of affordable housing to low-income individuals by Habitat-NYC will enable persons to remain residents of the City and, furthermore, spend their disposable income locally. **Resident spending will contribute nearly \$13.9 million** to the City economy on a present value basis.
  - **Generate Tax Revenues that Far Exceed Public Investment.** The economic activity from construction plus the ongoing benefits of sustainable homeownership for 41 families will yield total **fiscal benefits in excess of \$4.4 million for New York City** on a present value basis. These fiscal benefits to the City of New York provide a return of 1000% on the combined total contributions by City and State government. Fiscal benefits include:

    - Nearly \$500,000 in personal, business, sales and property transfer tax revenues during construction.
    - Approximately \$180,000 per year in new property tax revenues after expiration of the initial property tax abatement.
    - An additional \$34,000 per year in income and sales tax revenues associated with retaining Habitat-NYC residents in the City of New York.