Housing New York
A Five-Borough, Ten-Year Plan

Housing New York is a comprehensive plan to build and preserve 200,000 units of high-quality affordable housing over the next decade. The Plan will create opportunities for New Yorkers with a range of incomes, from the very lowest to those in the middle class, and will foster vibrant and diverse neighborhoods.
Key Facets of

The Affordable Housing Crisis

- **Gap Between Rents and Incomes**
  Over the past decade, average rents rose by more than 10% while wages stagnated

- **High Rent Burden**
  55% of renter households are “rent-burdened” and 30% are “extremely rent burdened”

- **Insufficient Housing Production**
  The marketplace is not meeting the needs of existing residents, let alone new ones

- **Limited Supply of Affordable Units**
  Despite significant public investment, only a fraction of eligible New Yorkers served

- **Population Growth**
  230,000 new residents arrived since 2010 and 600,000 more are expected by 2040
Housing New York: Implementation

Create More Affordable Housing

- Create 80,000 new affordable units
- Reform 421-a tax exemption program
- Improve zoning to promote affordability

Preserve Existing Housing and Prevent Displacement

- Preserve affordability of 120,000 existing units
- Strengthen rent regulations
- Protect tenants facing harassment

Plan for and Invest in Strong Neighborhoods

- Collaboratively plan with communities
- Create Neighborhood Development Fund
- Align planning with strategic investments
Housing New York
Mandatory Inclusionary Housing

September 2015
What is Mandatory Inclusionary Housing?

A new proposal to use zoning to require permanently affordable housing when future zoning actions encourage substantial new housing.
Goals of Mandatory Inclusionary Housing

• Promote **vibrant, diverse neighborhoods**

• **Ensure affordable housing** in areas in which we are planning for growth

• Meet the needs of a **range of low-and moderate-income New Yorkers**

• Ensure that program meets legal standards
  • Apply program consistently
  • Support financial feasibility of housing creation
Financial Feasibility Assessment: Conclusions

BAE Urban Economics, an experienced affordable housing consultant, conducted an analysis for the City, and found that:

• There is a tradeoff between the percentage of affordable housing and reaching lower income levels
• Strongest housing markets can generally support a requirement for 20-30% affordable housing
• Mid-markets do not support this without direct subsidy, unless moderate incomes are targeted
• In weakest markets, direct subsidy is needed (with or without MIH)
• A 50% requirement is not financially feasible
For each rezoning, the City Planning Commission and City Council can apply:

**Option 1:** 25 percent of housing at an average of 60% AMI

**Option 2:** 30 percent of housing at an average of 80% AMI

*Plus, in limited emerging or mid-market areas, an additional option may be added:*

**Workforce option:** 30 percent at an average of 120% AMI (without direct subsidy)

_Not available in Manhattan CDs 1-8_

---

<table>
<thead>
<tr>
<th>AMI</th>
<th>Income*</th>
<th>Sample Occupation</th>
<th>Affordable Monthly Rent for 2BR*</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>$31,080</td>
<td>Security Guard</td>
<td>$775</td>
</tr>
<tr>
<td>60%</td>
<td>$46,620</td>
<td>Paramedic</td>
<td>$1,150</td>
</tr>
<tr>
<td>80%</td>
<td>$62,150</td>
<td>School bus driver + home health aide</td>
<td>$1,550</td>
</tr>
<tr>
<td>100%</td>
<td>$77,700</td>
<td>Teacher + retail salesperson</td>
<td>$1,950</td>
</tr>
<tr>
<td>120%</td>
<td>$93,240</td>
<td>Firefighter + server</td>
<td>$2,350</td>
</tr>
</tbody>
</table>

*For a household of three people*
Key Features of Proposed Program

Other requirements
- Required units would be new, permanently affordable units
- Applies to developments, enlargements, or conversions > 10 units

Locations of affordable units
- On-site, same building as market-rate units, spread on at least half of the building’s stories, with a common street entrance and lobby
- On-site, separate building, completely independent from the ground to the sky; would not stigmatize residents of affordable units
- Off-site, different zoning lot located within the same Community District or within ½ mile

Other considerations
- Payment-in-lieu option for buildings of between 11 and 25 units
- Requirements could be reduced or waived through BSA where they would make development infeasible (legal requirement for hardship relief)
MIH Is One of Many Tools That Work Together

• Strategic use of subsidy programs can reach incomes as low as 30% AMI

• Reform of State 421-a tax exemption program will require affordable housing in every rental building receiving benefits
  • More affordable housing
  • Broader range of incomes
  • No benefits for luxury condos

• Zoning for Quality and Affordability will promote senior and affordable housing, aid efficient use of housing subsidies and promote better buildings
Process for Establishing and Applying MIH

Zoning Text Amendments to Establish the MIH Program
- Public review concurrent with Zoning for Quality and Affordability proposal

Application of Mandatory Affordable Housing in Neighborhoods
- For public and private applications to the City Planning Commission that encourage substantial new housing – each with its own full public review
  - City-initiated rezonings – e.g., East New York
  - Private applications for zoning map changes
  - Private applications for special permits that create substantial new residential density
For complete information, visit DCP’s website:

nyc.gov/planning
Goals

Affordability
Make zoning work better with financial and other programs to create more affordable housing for a wider range of New Yorkers

Quality
Encourage better buildings that contribute to attractive and livable neighborhoods
We can achieve BOTH

Affordability
Make zoning work better with financial and other programs to create more affordable housing for a wider range of New Yorkers

Quality
Encourage better buildings that contribute to attractive and livable neighborhoods

SMARTER ZONING
Affordability

• Help seniors remain in their communities by making it easier to provide affordable senior housing and care facilities

• Support the creation of Inclusionary Housing

• Free up resources to create more affordable housing by enabling cost-effective, transit-accessible affordable housing
Affordability

• Help seniors remain in their communities by making it easier to provide affordable senior housing and care facilities

• Support the creation of Inclusionary Housing

• Free up resources to create more affordable housing by enabling cost-effective, transit-accessible affordable housing
Why Does Zoning Need to Change?

- Population 65 years and older is projected to increase 40% by 2040 – over 400,000 additional seniors
- Dated zoning does not recognize today’s spectrum of senior housing and care facilities, such as
  - independent living
  - assisted living
  - nursing care
- In medium and higher density districts: affordable senior housing is allowed more floor area, but zoning doesn’t allow room for it all to fit in a well designed building
- In lower density multifamily districts: zoning is based on walkup houses, but seniors need elevator buildings
Key Elements of the Proposal

**Goal:** Help seniors remain in their communities

- Update regulations to allow a spectrum of affordable senior housing and care facilities, alone or mixed

In medium- and high-density districts:
- When buildings provide affordable senior housing, allow limited additional height to fit all floor area in a well designed building
- Allow the same, higher floor area for affordable senior housing as well as care facilities
How Much Additional Height Is Needed for Affordable Senior Housing and Care Facilities?

Medium- and high-density districts: In over 95% of affected areas, no more than 1 or 2 additional stories
AFORDABLE SENIOR HOUSING

Key Elements of the Proposal

**Goal:** Help seniors remain in their communities

- Update regulations to allow a spectrum of affordable senior housing and care facilities, alone or mixed

In lower-density districts that allow multifamily housing:
- Allow affordable senior apartment buildings with an elevator, not exceeding 4 to 6 stories
- Allow the same, higher floor area for affordable senior housing as well as care facilities
Low-density districts that allow multifamily housing: Buildings would not exceed 4 to 6 stories
Affordability

• Help seniors remain in their communities by making it easier to provide affordable senior housing and care facilities

• Support the creation of Inclusionary Housing

• Free up resources to create more affordable housing by enabling cost-effective, transit-accessible affordable housing
Why Does Zoning Need to Change?

- In designated medium and higher density areas, the Inclusionary Housing program promotes mixed-income housing.
- Like senior housing, Inclusionary Housing is allowed more floor area, but **zoning doesn’t allow room for it all to fit** in a well designed building.
- This results in less participation in the program, and **less affordable housing**.
Key Elements of the Proposal

**Goal:** Support the creation of Inclusionary Housing

- When buildings participate in the Inclusionary Housing program, allow the same **height** as proposed for buildings providing affordable senior housing.

- Would apply where:
  - The voluntary IH program applies today
  - The proposed new Mandatory IH program is applied in the future
Affordability

• Help seniors remain in their communities by making it easier to provide **affordable senior housing and care facilities**

• Support the creation of Inclusionary Housing

• **Free up resources to create more affordable housing by enabling cost-effective, transit-accessible affordable housing**
Why Does Zoning Need to Change?

Current parking requirements make it harder to meet the need for affordable housing

- Off-street parking can cost as much as $30,000-$50,000 per parking space to provide
- Residents of affordable housing cannot pay the fees necessary to support this cost (approx. $200-300+/month)
- Lower-income households own fewer cars, especially in transit-served areas – and low-income seniors own extremely few
- Operators report that low-income residents rarely park in these facilities
Why Does Zoning Need to Change?

Catholic Charities of Brooklyn and Queens, the largest developer of affordable housing for low-income seniors in New York City:

“We have thousands and thousands of low-income seniors on our wait lists for housing. We even have wait lists for our tenant gardens. We do not have a single wait list for parking.”
Key Elements of the Proposal

**Goal:** Free up resources to create more affordable housing by enabling cost-effective, transit-accessible affordable housing

Designate a “transit zone” where auto ownership and commutes by car are low, in which:

- Parking would be **optional** for new Inclusionary Housing or low-income housing
- Where appropriate, other modifications allowed:
  - Removal of parking for existing affordable senior housing
  - For other affordable or mixed-income housing, reduction of requirements possible on a case-by-case basis
Proposed Transit Zone

- Includes only **districts that allow multifamily housing**
- Denser neighborhoods with a variety of public transportation options, generally within a half-mile of a subway station
- Reflects existing low car ownership rates within Transit Zone
Quality

- Encourage **better ground-floor retail and residential spaces** and apartments with adequate ceiling heights

- Change rules that lead to flat, dull apartment buildings to encourage **visual variety and features common in traditional apartment buildings**

- **Maintain rules that work well today**, including the essential rules of “contextual” zoning districts and lower-density zoning districts
Why Does Zoning Need to Change?

Bad ground floors in medium- and high-density contextual districts
Why Does Zoning Need to Change?

**Flat, dull buildings** in medium- and high-density contextual districts
Key Elements of the Proposal

**Goal:** Encourage better ground-floor retail and residential spaces and apartments with adequate ceiling heights

In medium- and high-density contextual districts:

- Allow limited additional height if buildings provide taller ground floors
  - No more than five feet, in over 95% of affected areas
- Introduce a cap on the number of stories
PROPOSAL

Current Rules – Commercial street

Restrictive envelope results in flat facade

Tight height limits produce low ground floors, often too short for quality retail space
With Proposal – Commercial street

Flexible envelope allows articulation to create visual interest

5’ height increase allows ground floor that supports retail and enlivens streetscape
Key Elements of the Proposal

**Goal:** Change rules that lead to flat, dull apartment buildings to encourage visual variety and features common in traditional apartment buildings

In medium- and high-density contextual districts:

- Allow buildings to set back a few feet from the sidewalk and provide garden areas in front of the building
- Allow more flexibility for courtyards, bay windows, and other features typical of the city’s older buildings
- With targeted changes to setback and coverage requirements, allow better interior layouts and reduce blank walls
Little flexibility permitted for design articulation, resulting in flat façades

Buildings “line up” with the wrong part of neighboring buildings

Ground floor units front directly on sidewalk at eye level

Current Rules – R6B district
With Proposal – R6B district

Allow flexibility for traditional elements like bay windows

Ensures street wall lines up properly with neighboring buildings

Ground floor units elevated above sidewalk and set back so planting can be provided.
What Wouldn’t the Proposal Do?

**Goal:** Maintain rules that work well today, including the essential rules of “contextual” zoning districts and lower-density zoning districts

- No additional market-rate floor area
- No provisions that encourage tear-downs
- No elimination of any contextual zoning district, or re-mapping of any zoning district
- All projects in historic districts or landmarked buildings remain subject to review by the Landmarks Preservation Commission
- No change to as-of-right residential rules in 1- and 2-family districts
- No reduction in the amount of green or open spaces required for buildings
- Proposal would not produce dramatic changes in development in any neighborhood
What Changes Have Been Made Since the Proposal was First Announced?

To focus more squarely on the core goals of quality and affordability:

- Reduction in the additional height initially proposed for buildings in R8B, R7A, and R6B districts
- Making the additional extra 5 feet of height available only to buildings providing taller ground floors

To ensure a transparent public process:

- Extended comment period on environmental scope
- Draft zoning text and “Community Profiles” on DCP website
- CB info sessions conducted before public review, with CB review period occurring after the summer recess
Public Review Process

- Community Board Borough President Borough Board review: 60 days
- City Planning Commission review: approx. 60 days
- City Council review: 50 days

The proposed changes will go through the City’s public land use review process:

- Concurrent with review for Mandatory Inclusionary Housing proposal
For complete information, including Community District profiles showing which parts of the proposal would apply in individual areas, visit DCP’s website:

nyc.gov/planning