

MIH

Mandatory Inclusionary Housing (MIH) is a proposal to require developers to provide permanently affordable housing for low- and moderate-income New Yorkers in communities where rezonings will allow substantial room for new growth.

Why MIH?

Rents are rising faster than many New Yorkers' ability to pay. Between 2005 and 2014, the typical renter's income increased by only 2% while their rent grew by 15%.

Those increasing rents and other market forces already are changing our neighborhoods. This is why we need MIH now: It will provide neighborhoods with a critical tool to shape development to their needs.

The Permanently Affordable Housing Developed Through MIH Will:

- o Create housing for **low- and moderate-income households**, who often bear a disproportionate burden when housing costs increase.
- o Preserve and promote the **economic diversity** of our neighborhoods.
- o Stabilize neighborhoods by protecting the affordability of a significant amount of housing **permanently**.
- o **Protect** lower-income families from displacement as neighborhoods change.

Key Aspects of the MIH Proposal

When It Applies: MIH will apply to any future rezoning that the City, a community, or a private developer proposes that will create significant additional residential capacity in a medium- or high-density district.

Flexibility for Neighborhoods: MIH is not a one-size-fits-all approach. Indeed, each neighborhood can prioritize affordability options that match its local housing needs.

Affordability Options: The City Council, working with the City Planning Commission, will choose which of the two basic options will apply to a particular rezoning:

- o 25% of housing will be affordable for households with incomes averaging to 60% Area Median Income (AMI) (\$36,300 for an individual or \$46,620 for a family of 3); or
- o 30% of housing will be affordable for households with incomes averaging to 80% AMI (\$48,350 for an individual or \$62,150 for a family of 3).

The incomes served by the affordable housing must average to the specified AMI, with some lower and some higher. A household with an income of \$30,250 and a household with an income of \$42,350, for example, would average to the required \$36,300.

Permanent Affordability: The affordable housing will be required to remain permanently affordable. Even if the building is demolished and rebuilt, the affordable requirement will never go away.

How MIH Fits Into *Housing New York*

MIH is an important tool for affordability that will complement other tools the City is using to achieve Mayor de Blasio's *Housing New York* plan to build and preserve affordable housing and foster more livable and diverse neighborhoods.

The City has committed **significant funding to create and preserve affordable housing** across the five boroughs.

By requiring the private market to supply affordable housing units, MIH **allows more public funds to be used to make affordable housing available at even lower rents**, serving New Yorkers who need the most help. Using its subsidy programs, the **City will reach a wide range of New Yorkers**, including individuals making as little as \$18,150.

MIH will also complement a variety of strategies to combat displacement:

- o Strengthening rent regulations
- o \$76 million in funding for legal assistance for low-income renters
- o A task force of enforcement agencies to combat tenant harassment
- o New laws prohibiting harassing buyout offers to tenants
- o Neighborhood Preservation Helpdesks that offer physical, financial, and technical assistance for small building owners to help them keep renting affordable apartments
- o A Green Housing Preservation Program to finance energy and water efficiency improvements to lower operating costs and promote long-term affordability
- o Counseling and improvements to our housing lottery to help those most in need document their eligibility

Other Important Details

- o The proposal does not itself rezone any neighborhood. It simply authorizes the City Planning Commission and City Council, working with individual neighborhoods, to apply the affordable housing requirements to any future rezoning.
- o Most affordable housing will be built on-site. If it is built off-site, it will be within the same Community District or within 1/2 mile of the zoning lot that contains the affordability requirement.
- o Residential developers of small buildings (11-25 units) will have the option to pay a fee in-lieu of building affordable housing. The fees will be used to supply or preserve affordable housing in the Community Board where the funds were generated.
- o The City Council and the City Planning Commission may offer a workforce option, in addition to one or both of the two basic options they choose. This option would require 30% of the housing to be permanently affordable for households with an average income of \$93,240 for a family of three. It could not be used in Manhattan Community Districts 1-8.

MIH is a bold step forward in fostering equitable, inclusive development across New York City neighborhoods and ensuring that all our communities and residents will thrive together.