

# HOUSING NEW YORK

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New York City faces an affordable housing crisis. Fifty-six percent of renter households across a range of income-levels are rent-burdened (spending more than a third of their income on housing). Rents are rising faster than many New Yorkers' ability to pay. Between 2005 and 2014, the average renter's income increased by only two percent while their rent increased by 15 percent. Affordable housing is not only fundamental to people's security, health, and well-being, it is also indispensable to the diversity and dynamism of the City itself.

[Housing New York](#) (HNY), New York City's ten-year affordable housing plan, seeks to address this crisis by creating and preserving 200,000 units of affordable housing to serve a range of New Yorkers, from those living below the poverty line to middle-class households that make up the City's workforce, yet are priced out of existing housing. Under the plan, launched in May 2014, the City will catalyze the construction of 80,000 new units and the preservation of 120,000 units of affordable housing, ensuring the quality and affordability of homes in buildings that face disinvestment, physical disrepair, expiring rent restrictions or escalating maintenance costs.

As of October 2015 the City financed the creation and preservation of 31,241 affordable units across the five boroughs, enough to house more than 75,000 New Yorkers. With the 19,118 preserved units, the City is tracking close to the 60%/40% split between units preserved and new construction units anticipated in the plan. Approximately 85 percent of the units financed under Housing New York are for extremely low, very low and low-income families.

More than fifty initiatives make up the Housing New York plan, which is intended to not only accelerate the construction of both market rate and affordable homes, but also to protect the ability of tenants and homeowners to stay in their homes and to ensure that growing neighborhoods get needed infrastructure, amenities, and services.

Two important Housing New York initiatives – [Mandatory Inclusionary Housing](#) (MIH) and [Zoning for Quality and Affordability](#) (ZQA) – are part of a set of coordinated initiatives under the plan that would align zoning regulations with the Housing New York goals of promoting housing affordability and livable neighborhoods. MIH and ZQA are both zoning text amendments and must go through the City's full public land use review process, which includes review by Community Boards, Borough Presidents, Borough Boards, the City Planning Commission and City Council. This process started on September 21, 2015 and allows ample opportunity for continued public engagement.

MIH would require that at least 25 or 30 percent of new residential floor area be permanently affordable for a variety of income levels as a condition of residential development in areas rezoned as part of a City neighborhood plan or a private rezoning application. This would be the most ambitious program of its kind in any major U.S. city.

ZQA represents a modest but important update to sections of the City's Zoning Resolution that have inadvertently discouraged the affordability and quality of recent buildings. The goals of Housing New York include making the City more affordable to a wide range of New Yorkers and fostering diverse, livable communities with buildings that contribute to the character and quality of neighborhoods. Changes proposed by ZQA would help the City make more strategic use of taxpayer dollars and encourage higher-quality residential buildings in the city's medium- and high-density neighborhoods. For example, ZQA would

make it easier to provide the range of affordable senior housing and care facilities needed to meet this rapidly growing and diverse segment of the City's population. This proposal would also increase the permitted maximum height by five feet in a number of medium- and high-density zoning districts if the building provides ground floors that better serve communities – whether it be for facilitating improved retail spaces in commercial districts, or allowing for more space between ground-floor apartment units and the sidewalk in residential districts.

In addition, DCP continues to work with communities in all five boroughs and other City agencies to organize a series of place-based planning studies tailored to the distinct needs and character of each neighborhood. Beyond examining key land use and zoning issues, where ZQA and MIH would serve as necessary tools, these studies aim to identify an appropriate blend of strategies and investments related to, for example, economic development, infrastructure and community supporting services. After several years of engagement with community stakeholders and various City agencies, the East New York Community Plan, in Brooklyn, is the first of such studies to go through the formal public review process.

Maintaining and accelerating this level of progress requires the continued collaboration of more than a dozen City agencies and offices, including HPD, the Housing Development Corporation (HDC), the Department of City Planning (DCP), the New York City Economic Development Corporation (NYCEDC), the New York City Housing Authority (NYCHA), the Human Resources Administration (HRA), the Department of Buildings (DOB), the Department of Homeless Services (DHS), the Department of Small Business Services (SBS), the Mayor's Office of Workforce Development and the Mayor's Office of Capital Project Development.

HNY is segmented into the following broad strategies and priority initiatives. Unless otherwise noted, the accomplishments below occurred during the first four months of Fiscal 2016: July through October 2015.

**FOSTERING DIVERSE, LIVABLE NEIGHBORHOODS**

HNY is not just about increasing the supply of quality, affordable housing. Its mission is also to protect existing affordable units and enhance the quality and livability of our neighborhoods. DCP, HPD, HDC, SBS, NYCEDC and NYCHA meet regularly with an eye towards ensuring that City investments in each neighborhood will provide housing and economic opportunities for households across a range of incomes.

*Accomplishments include:*

- In September 2015 DCP certified the land use applications necessary to implement portions of the East New York Community Plan and begin the formal public review process, known as the Uniform Land Use Review Process or ULURP. The City Planning Commission held a public hearing for the East New York Plan in early January 2016.
- In September 2015 DCP certified the MIH and ZQA applications.
- After all 59 community boards, all five borough presidents and borough boards reviewed the proposals during the fall of 2015, the City Planning Commission held a public hearing for ZQA and MIH in December 2015, and continued to receive written testimony after the hearing. The City Council review for MIH and ZQA will commence in early 2016.
- HPD co-sponsored a series of Neighborhood Preservation HelpDesks, in coordination with community and not-for-profit organizations. The HelpDesks use a user-friendly, one-stop shop model for owners of small rental buildings (between five and 50 units). Housing specialists answer questions and provide guidance on a range of preservation resources, including HPD's new Green Housing Preservation Program among other preservation financing programs.

<b>INCOME BAND DEFINITIONS</b>			
<b>Income Band</b>	<b>Percentage of Area Median Income (AMI)</b>	<b>Monthly Rent Required to Prevent Rent Burden</b>	<b>Annual Income Range (For a Three-Person Household)</b>
Extremely Low Income	0-30%	≤\$583	≤\$23,300
Very Low Income	31-50%	\$584-\$971	\$23,301-\$38,850
Low Income	51-80%	\$972-\$1,554	\$38,851-\$62,150
Moderate Income	81-120%	\$1,555-\$2,331	\$62,151-\$93,250
Middle Income	121-165%	\$2,332-\$3,205	\$93,251-\$128,200

- HPD, along with DCP, released the "[Neighborhood Planning Playbook](#)" — the blueprint for a comprehensive, transparent process of community engagement and planning that involves all the relevant City agencies. This new approach reflects the Administration's commitment to holistic neighborhood planning and interagency coordination.
- HPD partnered with HireNYC to create a program to better connect low-income workers to construction job opportunities generated by its affordable housing development projects. Beginning on January 1, 2016, HPD will require developers, general contractors, and subcontractors working on projects receiving more than \$2 million in City capital subsidies to share job openings in entry- and mid-level construction positions with HireNYC and to interview the qualified candidates that HireNYC refers for those openings.

### **PRESERVING THE AFFORDABILITY AND QUALITY OF THE EXISTING HOUSING STOCK**

As it continues to explore ways to increase the supply of affordable housing, the City also maintains a focus on ensuring the quality and preserving the affordability of the existing affordable stock.

*Accomplishments include:*

- HPD released a Request for Qualifications (RFQ) seeking not-for-profit and for-profit developers to participate in the rehabilitation and management of the Affordable Neighborhood Coop Program (ANCP) and Third Party Transfer (TPT) - Tenant Petition Cooperatives. The ANCP and TPT-Tenant Petition Cooperatives programs rehabilitate multifamily properties into affordable cooperatives, giving low and moderate-income New Yorkers the opportunity to become homeowners.
- The City reached a 20-year agreement to protect 5,000 middle class housing units at Stuyvesant Town and Peter Cooper Village (STPCV). This is the largest number of affordable apartments ever preserved in a single City-led transaction in the history of New York City. For generations STPCV has been a home to working and middle-class families. This plan will halt the loss of more than 300 affordable apartments each year, ensuring that STPCV remains a home for nurses, teachers, first responders and other working families.
- HPD retooled its Voluntary Inclusionary Housing Preservation Program (IHP) to provide a valuable resource for preserving affordable housing. The changes to IHP will ensure that when the owners of affordable housing sell development rights, the proceeds of the sale will support permanent affordability, recapture public investment, and advance the goals of Housing New York.
- HPD collaborated closely with the City Council on legislation that passed in September 2015 to strengthen tenant protections for New York City residents. The three bills place limits on the tactics that have been employed by unscrupulous landlords to unlawfully push tenants out of their apartments; require written disclosures to inform tenants of their rights related to buyout offers; and ensure that tenants understand the avenues of assistance available to them when faced with a buyout offer.
- Prior to this reporting period HPD joined forces with the NYS Attorney General, the NYS Division of Homes and Community Renewal's Tenant Protection Unit, and other City agencies to create a new Tenant Harassment Prevention Task force to combat tenant harassment. HPD began conducting proactive inspections to ensure housing quality and to proactively prevent harassment of tenants.

### **BUILDING NEW AFFORDABLE HOUSING FOR ALL NEW YORKERS**

Much of what distinguishes New York and makes it such a desirable place to live and work stems from the City's unparalleled diversity. HNY seeks to preserve the income diversity and inclusivity through programs designed to reach residents across income levels, as well as programs that will produce affordable housing on the many small, vacant and underdeveloped parcels of public land scattered throughout the City.

*Accomplishments include:*

- HPD and NYCEDC released a Request for Proposals (RFP) to create a mixed-use development in the Hell's Kitchen neighborhood of Manhattan on a 24,687 square foot lot that was once home to the New York Butchers' Dressed Meat Company and is currently used as NYPD parking. The RFP calls for proposals that achieve maximum housing affordability financed by a mix of commercial or community facility uses.
- HPD closed on the first project under the Extremely Low and Low Income Affordability (ELLA) program, which was introduced as part of HPD's comprehensive overhaul of term sheets to achieve deeper and longer affordability, and to more efficiently harness the private market. The first ELLA project is a new 112-unit construction project for people making between 40 – 60 percent of AMI (between \$31,080 to \$46,620 for a family of three). Thirty-five of these units will serve individuals with mental health disabilities and supportive services for these tenants will be provided.
- HPD issued a RFP targeted at Pre-Qualified Minority and Women Owned Business Enterprise Developers to build affordable housing developments at six sites in Brooklyn, the Bronx, and Manhattan. This is one of the new measures announced by the Mayor to increase the role of M/WBEs in City housing and economic development projects. The RFP is only open to a pre-qualified list of M/WBE developers created through the competitive RFQ process.
- HPD launched BLDS eSubmit, a new electronic document submission system to streamline the design review process for affordable housing, in which HPD works closely with developers, sponsors, consultant architects, and engineers to ensure that HPD-assisted projects comply with all requirements. The new paperless process increases the efficiency and transparency of design review, fosters close collaboration between HPD, DOB, and external partners, enhances customer service, and controls the costs of developing affordable housing.

## **PROMOTING HOMELESS, SENIOR, SUPPORTIVE, AND ACCESSIBLE HOUSING**

HNY prioritizes the need to provide supportive, accessible housing to the homeless and other New Yorkers with special needs, such as the rapidly growing senior population.

*Accomplishments include:*

- The Administration committed to the creation of 15,000 units of supportive housing over the next 15 years for New Yorkers in need, including homeless veterans, survivors of domestic violence and street homeless individuals. The supportive services include mental and physical health care access and alcohol and substance use treatment, among other social services, and are part of a proven, cost-effective approach to delivering stability and permanent housing for New Yorkers with mental illness and substance use challenges.
- HPD and HRA created the HOME Tenant Based Rental Assistance program to provide housing for families and street homeless individuals with Social Security benefits, often due to disabilities. HRA has received applications from over 2,000 households for the HOME program and began distributing vouchers to eligible clients in December 2015.
- HRA procured and initiated rapid rehousing services for homeless and at-risk households, including for three-quarter housing residents relocated from unsafe housing. This included creating a new rental assistance program, called the Special Exit and Prevention Supplement, for single adults in urgent need of permanent housing. Between July 2015 and October 2015, HPD placed 80 homeless individuals in their own apartments. The agency also implemented a preference for homeless veterans in its marketing guidelines/marketing plans.
- HRA is greatly expanding shelters for survivors of domestic violence to serve about 13,300 more children and adults a year. This will add a total of 400 new units of Tier II transitional family shelter and 300 emergency shelter beds – an unprecedented addition to the City's current domestic violence shelter capacity. HRA conducted an emergency procurement for 300 emergency beds, which are proposed to open by early 2016, and will release an open-ended RFP for the Tier II units in early 2016.
- As part of the citywide effort to house veterans, HPD has accepted approximately 260 Section 8 applications for veterans in 2015. In addition to making these vouchers available, the agency has streamlined the Section 8

application process for this population, including but not limited to expedited application review, fast tracked inspections, and priority processing.

- City-funded legal service programs in the HRA budget total \$34 million in Fiscal 2016, with planned expansion to \$61.8 million when fully implemented — ten times the \$6 million that was spent on anti-eviction programs in Fiscal 2013. The two programs will serve 32,700 households a year – over 113,000 individuals – when fully implemented in Fiscal 2017. In November 2015 HRA issued an RFP for \$33 million dollars for anti-harassment and tenant protection services and has already awarded three proposers with contracts starting in January 2016.

### REFINING CITY FINANCING TOOLS AND EXPANDING FUNDING SOURCES FOR AFFORDABLE HOUSING

Consistent with the goals of HNY, the City is leveraging its investments more effectively. For example, by restructuring loan terms to lower costs at the beginning of the project, the City can leverage additional private financing up front, while recapturing the City’s investments and providing greater incentives for long-term affordability. The City will continue to review and analyze its housing programs and identify new funding streams and partnerships as it ramps up to reach HNY’s ambitious goals.

*Accomplishments include:*

- In September 2015 NYCHA launched [NextGeneration \(NextGen\) Neighborhoods](#), a program to build 50 percent market rate and 50 percent affordable housing units on underutilized NYCHA land to create a revenue source for NYCHA, reinvest in capital needs, and create more affordable housing. The process began with community and resident engagement at two sites — Wyckoff Gardens in the Boerum Hill neighborhood of Brooklyn and Holmes Towers. To date, five sessions have been held at Holmes Towers and six sessions at Wyckoff Gardens. Community engagement is ongoing.

		Actual		4-Month Actual		Target		Cumulative	
		FY14 (1/1/14- 6/30/14)	FY15 (7/1/14 - 6/30/15)	FY15	FY16	FY16	FY17	1/1/14 -10/31/15	2024 Target
<b>HOUSING UNITS STARTED</b>									
Total starts (new and preservation)		8,990	20,327	2,409	1,924	18,000	20,000	31,241	200,000
New construction starts		2,737	8,485	1,237	901	7,257	8,000	12,123	80,000
Preservation starts		6,253	11,842	1,172	1,023	10,743	12,000	19,118	120,000
Total starts (new construction and preservation) by income band	Extremely low income units	378	1,126	152	77	*	*	1,581	16,000
	Very low income units	1,061	2,228	207	434	*	*	3,723	24,000
	Low Income units	6,260	14,247	1,619	1,320	*	*	21,827	116,000
	Moderate income units	344	1,293	18	39	*	*	1,676	22,000
	Middle income units	886	1,312	395	38	*	*	2,236	22,000
	Other Units (Includes units for building superintendents)	61	121	18	16	*	*	198	*
Total starts (new construction and preservation) by bedroom distribution	Studio units	1,200	3,036	444	290	*	*	4,526	*
	1 Bedroom units	2,554	6,942	926	618	*	*	10,114	*
	2 Bedroom units	3,551	7,250	803	684	*	*	11,485	*
	3 Bedroom units	1,142	2,329	145	233	*	*	3,704	*
	4+ Bedroom units	344	581	21	75	*	*	1,000	*
	Unclassified units <sup>1</sup>	199	189	70	24	*	*	412	*

		Actual		4-Month Actual		Target		Cumulative	
		FY14 (1/1/14- 6/30/14)	FY15 (7/1/14 - 6/30/15)	FY15	FY16	FY16	FY17	1/1/14 -10/31/15	2024 Target
Total units started for special needs population	Units started for homeless individuals or families	401	1,537	108	87	1,320	1,320	2,025	13,200
	Units started for senior individuals or families	449	1,722	117	60	250	1,000	2,231	10,000
<b>HOUSING UNITS COMPLETED</b>									
Total completions (new and preservation)		2,937	1,837	618	38	*	*	4,812	*
New construction completions		96	124	42	25	*	*	245	*
Preservation completions		2,841	1,713	576	13	*	*	4,567	*
Total completions (new construction and preservation) by income band	Extremely low income units	5	6	1	1	*	*	12	*
	Very low income units	12	390	3	3	*	*	405	*
	Low income units	2,085	1,157	561	31	*	*	3,273	*
	Moderate income units	10	68	8	2	*	*	80	*
	Middle income units	821	202	38	1	*	*	1,024	*
	Other units (Includes units for building superintendents)	4	14	7	0	*	*	18	*
Total completions (new construction and preservation) by bedroom distribution	Studio units	158	285	18	1	*	*	444	*
	1 Bedroom units	682	497	176	4	*	*	1,183	*
	2 Bedroom units	1,005	643	279	5	*	*	1,653	*
	3 Bedroom units	454	245	62	10	*	*	709	*
	4+ Bedroom units	71	47	21	4	*	*	122	*
	Unclassified units <sup>1</sup>	567	120	62	14	*	*	701	*
Total units completed for special needs population	Units completed for homeless individuals or families	0	131	25	0	*	*	131	*
	Units completed for senior individuals or families	3	346	4	3	*	*	352	*

Notes: <sup>1</sup>Data on bedroom distribution is not available for homeownership assistance programs and small homeowner preservation programs.

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- Data is currently not available for two indicators previewed in the Fiscal 2014 Housing New York chapter, ‘Number of units started by length of affordability requirement’ and ‘Number of new units on previously vacant or underutilized public sites.’ HPD is currently enhancing its data systems and expects to report this data in the future.
- HPD updated data for Fiscal 2014 housing completions; Fiscal 2015 housing starts and housing completions; and four-month Fiscal 2015 housing starts and housing completions. These updates included changes to the housing starts and completions data disaggregated in these reporting periods by income band, bedroom distribution, and special needs populations.
- Based on more detailed projections, HPD revised its 2024 targets for units started for senior individuals or families from 2,500 to 10,000.

## ADDITIONAL RESOURCES

For more information about these and additional initiatives underway, go to: [www.nyc.gov/housing](http://www.nyc.gov/housing).

- Housing New York: A Five-Borough, Ten-Year Plan:  
<http://www1.nyc.gov/site/housing/plan/download-the-plan.page>

