



May 17, 2021

Affordable Housing & MIH in Gowanus

Agenda

- 01 NYC's Housing Crises**
- 02 What Is Affordable Housing**
- 03 Neighborhood Conditions**
- 04 City Housing Strategies**

01 NYC's Housing Crises

Distinct but Overlapping Crises

1. Low Incomes:

- Families with the lowest incomes cannot afford rents that support the costs of operating a building
- Preventing homelessness and ensuring that New Yorkers live in safe, high-quality housing requires subsidizing housing for low-income families and individuals

2. Limited Supply:

- In the last 20 years, the NYC region has added 150,000 more jobs than it has added housing units
- Shortage means we are all competing for the few available apartments, driving up prices
- Even moderate-income households have difficulty finding affordable housing

3. Segregated and Unequal Neighborhoods

- NYC is the most diverse city in the USA, but discrimination and segregation in our neighborhoods persist
- NYC's segregated neighborhoods are rooted in our history of racist laws, policies, and practices
- There are clear connections between a New Yorker's race, where they live, and their access to opportunity

Distinct but Overlapping Crises

4. Homelessness:

- Each night, there are nearly 60,000 people sleeping in the City's shelter system, including 18,000 children
- The high cost of housing is the primary cause of homelessness in NYC

5. Underinvestment in Public Housing

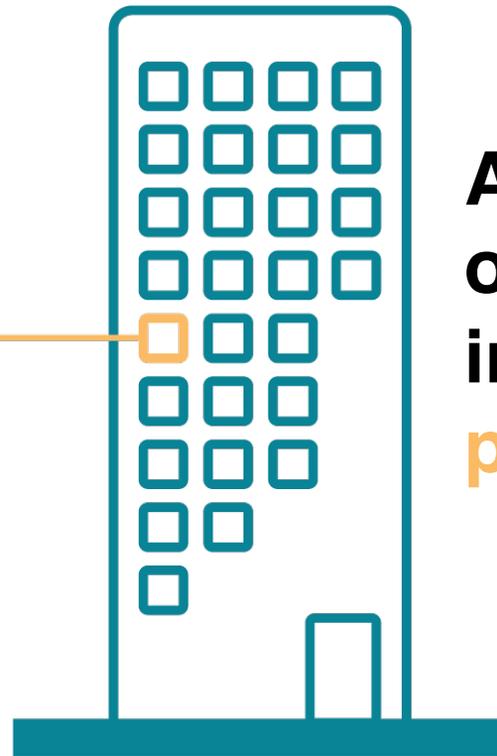
- NYCHA supplies 8% of New York City's rental housing stock
- NYCHA comprises 79% of the apartments in NYC with rents less than \$500/month
- For decades, federal housing subsidies have favored middle class homeownership over public housing, leaving NYCHA with \$40B in capital repair needs

NYC Incomes Don't Match Costs of Housing

One in four households in NYC earn less than \$30,000, which means rents they can afford are less than \$600 a month



Preventing severe rent burden, homelessness, and unsafe housing requires **subsidy to make up the difference**



Average cost to operate an apartment in NYC is **over \$1,000 per month**

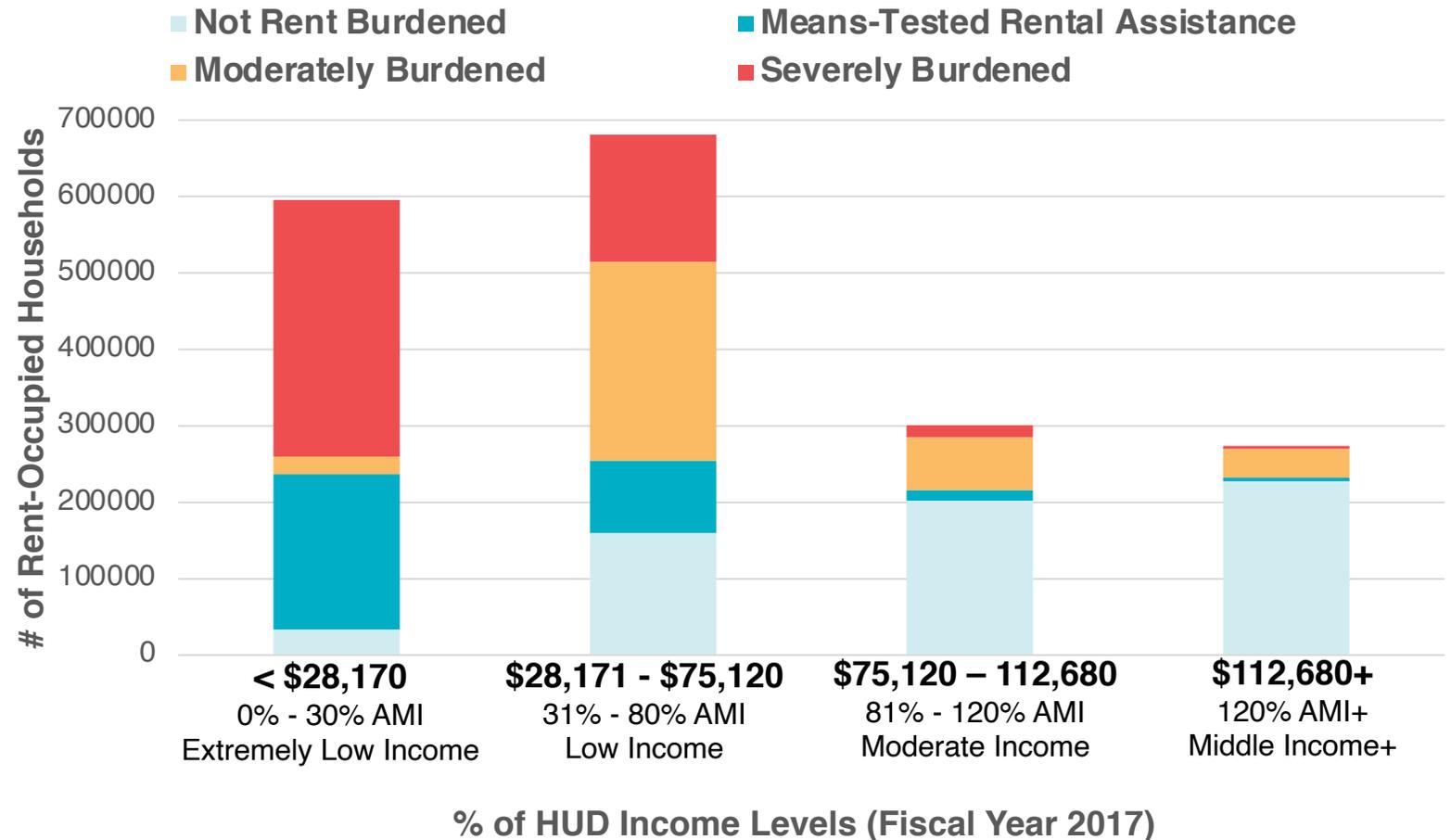
Average cost to operate a building is based on the Rent Guidelines Board 2020 Income and Expense Study. The average monthly O&M cost for units in stabilized buildings were \$1,034 in 2018. This includes taxes; labor; utilities; fuel; insurance; maintenance; administrative; and miscellaneous costs. Costs do not include debt service.

High Levels of Rent Burden

30% of NYC Households spend more than half of their income on rent.

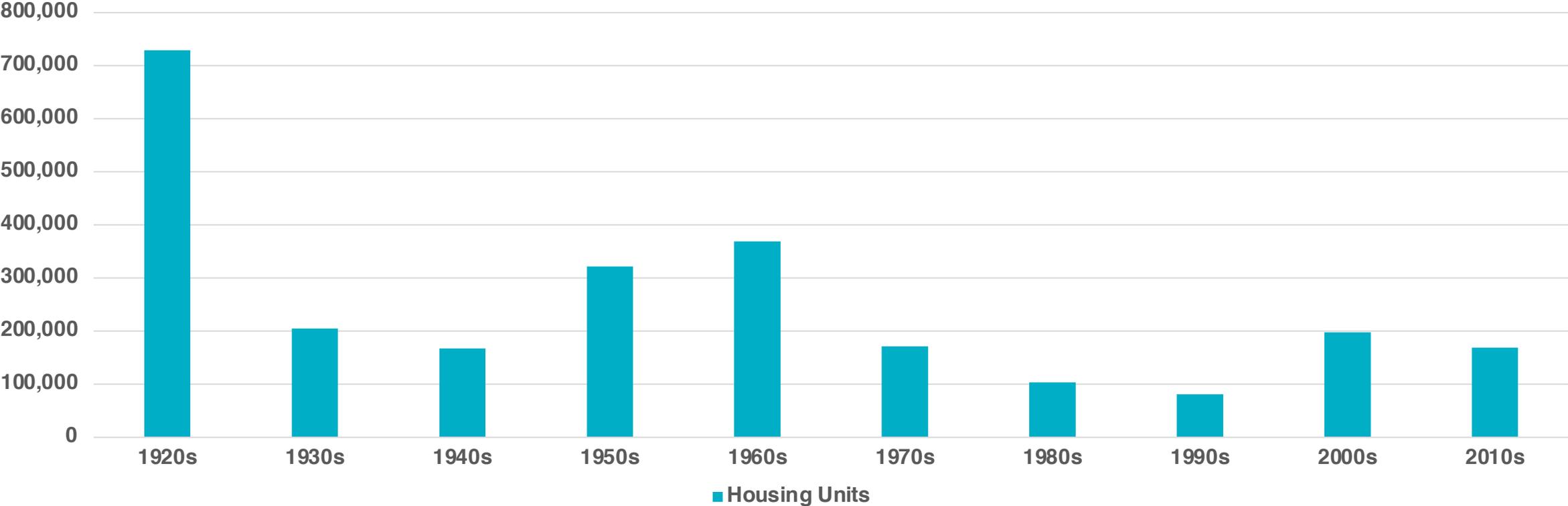
40% of low-income NYC households spend more than half of their income on rent.

Rent Burden by Income Group



Insufficient Housing Production

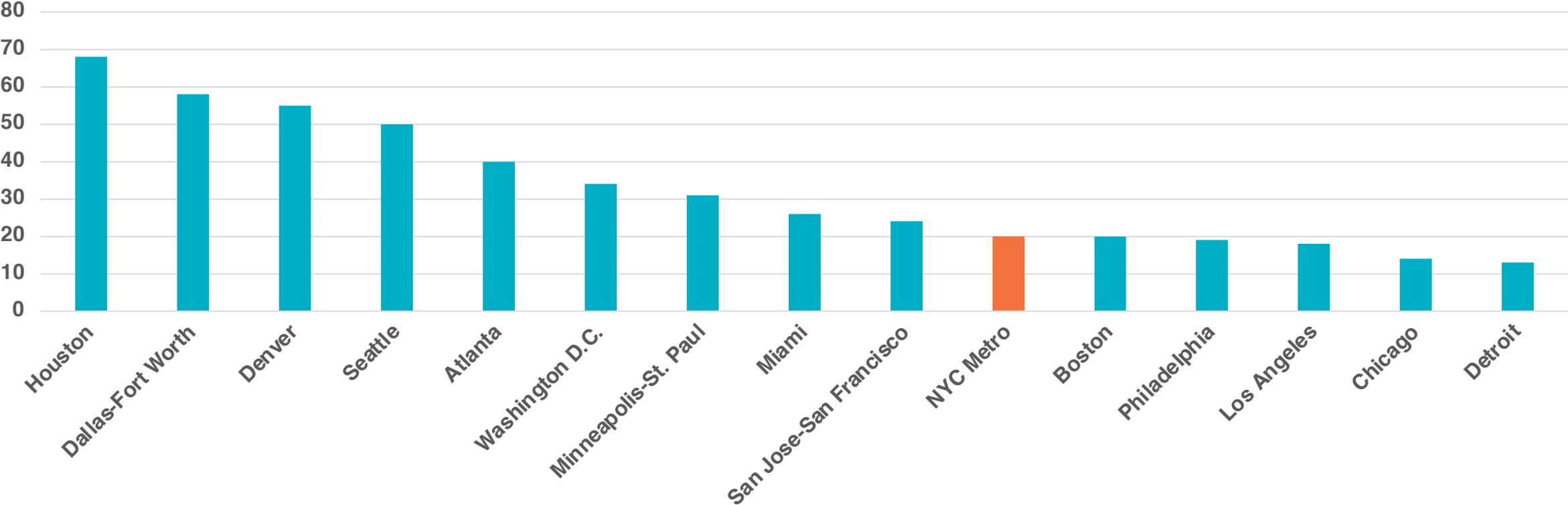
Housing Units Produced by Decade



Source: NYC Department of City Planning, 2021

Insufficient Housing Production

Housing Units Permitted per Capita (per 1,000 residents), 2009-2018

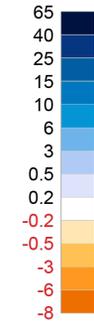


Source: U.S. Census Bureau Population Estimates Program 2018; U.S. Census Bureau Intercensal Estimates 2010; U.S. Census Bureau BPS Annual 2009-2018; NYC DCP Housing Database 19v1

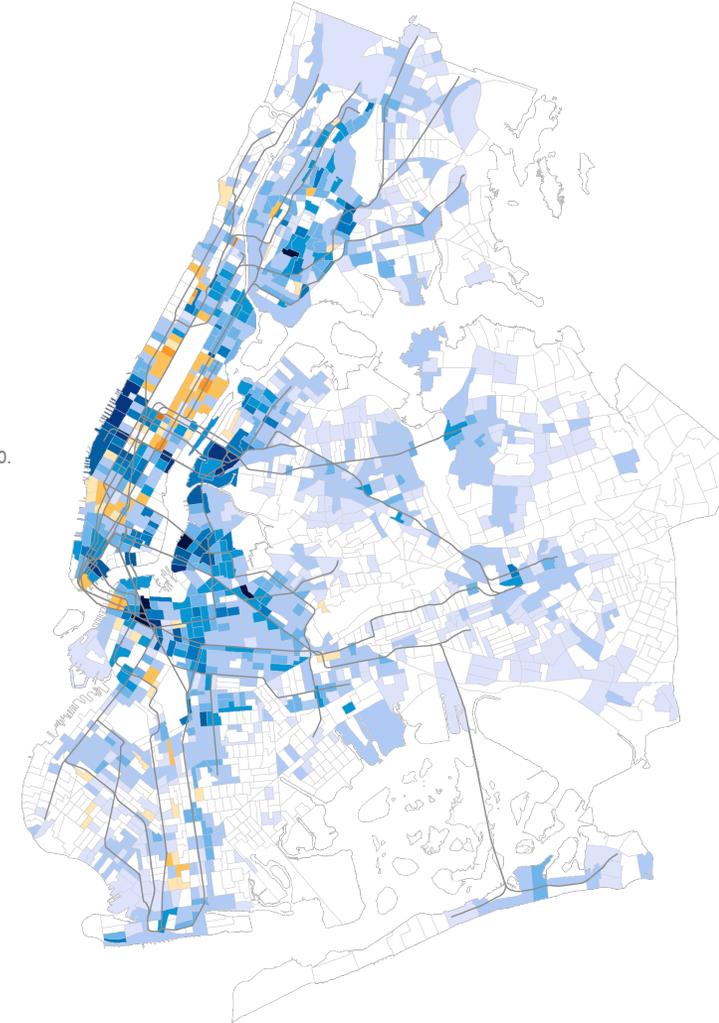
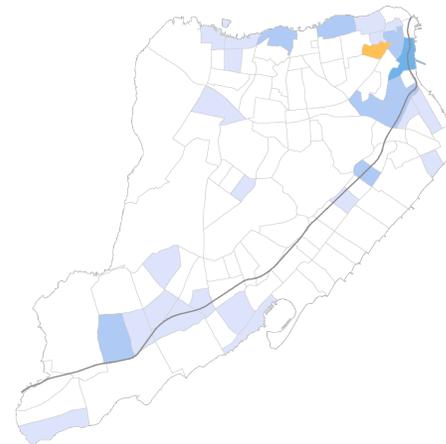
Segregated and Unequal Neighborhoods

- Housing changes in previous decade show different patterns across neighborhoods
- Significant **growth** almost exclusively in **formerly nonresidential areas rezoned to allow housing** (e.g., Downtown Brooklyn, Greenpoint, Williamsburg)
- **Net loss** within **some historic districts, including parts of Park Slope, Boerum Hill, Cobble Hill, and Brooklyn Heights**

Net Housing Unit Change
2010 to 2020, Per Acre



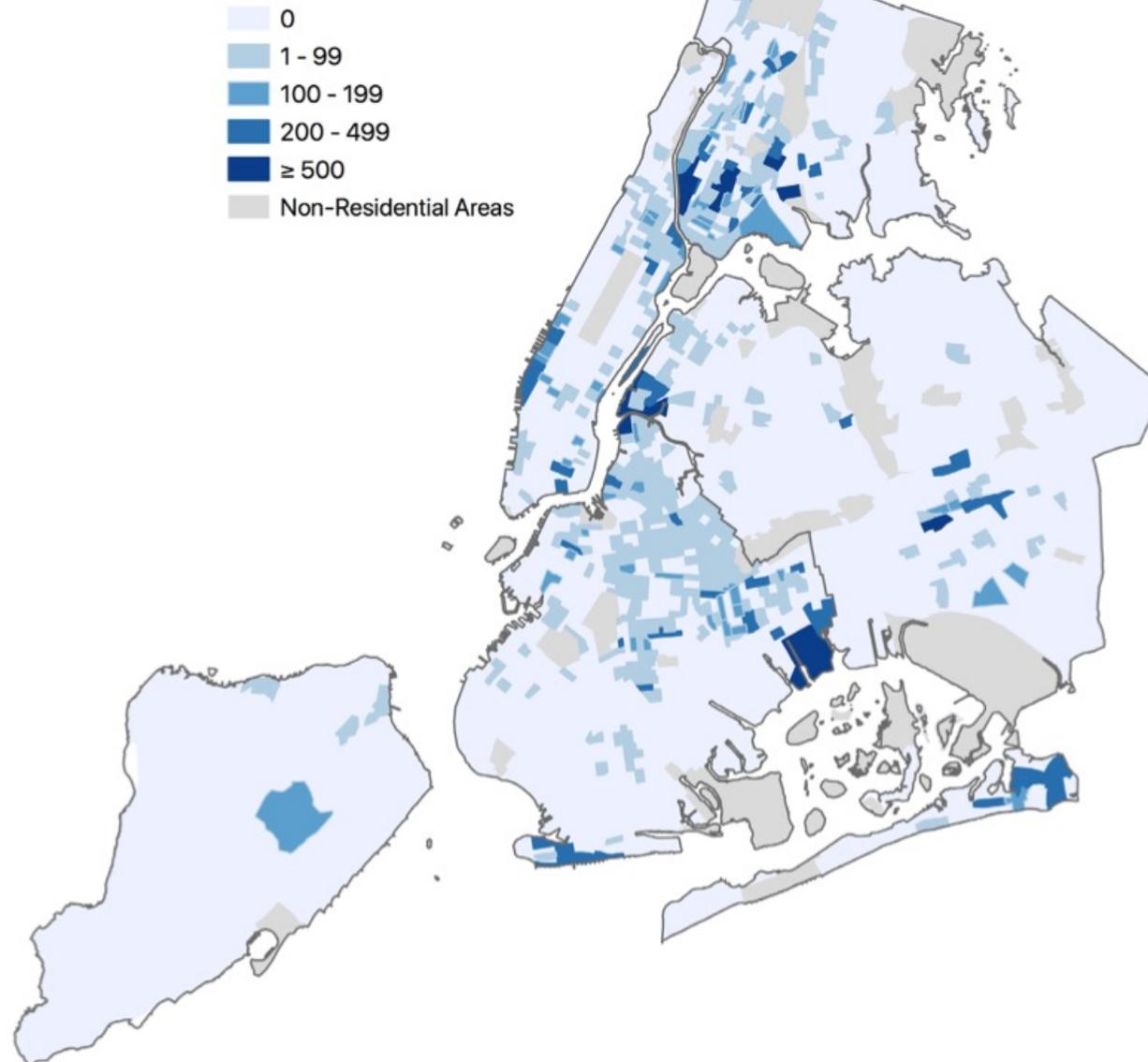
Source: DCP Housing Database, 20Q2. New buildings, alterations, and demolitions completed 1/1/2010 - 6/30/2020.



Segregated and Unequal Neighborhoods

- A range of factors influence where new affordable housing is constructed
- Nearly 50,000 new affordable homes were constructed and an additional 110,000 were preserved as a result of Housing New York
- New affordable housing has largely been concentrated in the South Bronx, East Harlem, Midtown West, Hunter's Point South, Greenpoint and East New York

New affordable housing construction (2014 – 2020)



Source: NYC HPD, Housing New York new production data (2014-2020).

The Challenges Confronting NYC's Public Housing

- **New York City Housing Authority's (NYCHA) aging infrastructure has been underfunded by the federal government for decades. Its 175,000 apartments now confront \$40 billion in major repair needs – a figure that grows by \$1 billion each year**
 - Most NYCHA buildings are 50-80 years old and have gone many years without upgrades or reinvestment
 - NYCHA only receives about \$500 million in annual federal capital funding – a fraction of the need
- **At the same time, NYCHA's organization is not designed to meet the current operational and capital delivery challenges, and residents face unprecedented health and economic crises.**

Conditions Post-COVID

- Changes to NYC's housing market and needs as a result of the COVID-19 pandemic and economic changes **will take time to play out and understand**
- New Yorkers couldn't afford housing costs before the pandemic, and now many have lost their jobs or a portion of their income
- Over **a million New York City residents have filed for unemployment** in the last year
- As we plan, it is important to consider immediate needs in addition to a **long-term framework for equitable housing development**
- Markets take time to evolve and respond to new zoning that is designed to be in place for decades

02 What Is Affordable Housing?

What Is Affordable Housing?

Housing is considered “affordable” when a household spends no more than 1/3 of its income on rent and utilities.

If your gross income is...

\$20,000

\$50,000

\$100,000

your rent should be less than:

\$600

\$1,500

\$2,500

Types of Affordable Housing

Type	Description	Regulation
Unregulated/ Private Market	Privately-owned housing that may be affordable to some families. Sometimes called “naturally-occurring affordable housing.”	Not subject to regulation
Public Housing*	Publicly-owned and operated housing managed by the New York City Housing Authority (NYCHA)	Income eligibility and rents regulated by NYCHA/HUD
Rent-Stabilized/ Rent-Controlled	Privately-owned, multifamily buildings, most often built before 1974, in which tenants are protected from sharp increases in rent and have the right to renew their lease.	Rents regulated by NYS Rent Stabilization Law or other NYS laws like the Loft Law
Government Assisted	Privately-owned buildings that received public subsidy or other benefits in exchange for providing income-restricted housing with affordable rents.	Income eligibility and rents governed by a regulatory agreement with the owner
Rental Assistance	Federal, State, and City programs which pay for all or part of the rent on behalf of a tenant. Programs like Housing Choice Vouchers (Section 8) or CityFHEPS can be used in many types of affordable housing.	Income eligibility and rents regulated depending on voucher source.

*Includes PACT Developments which is publicly-owned housing converted to more stable funding through the PACT (Permanent Affordability Commitment Together) Program.

Area Median Income (AMI)

Area Median Income (AMI) is determined each year by the federal government for different regions.

New York Metro Area:



100% AMI



\$107,400
for a family of three
(2021)

Area Median Income (AMI)

HPD uses this number as a point of reference and sets its own income requirements tailored to the needs of New Yorkers.



100% AMI



\$107,400
for a family of three
(2021)

Retail
Salesperson

\$32,220

30% AMI

Taxi Driver +
Janitor

\$64,440

60% AMI

Caseworker + Home
Health Aide

\$85,920

80% AMI

Teacher +
Firefighter

\$128,880

120% AMI

Sample Rents with Affordable Housing

Example Households	 				
Apartment Size	Studio	1 BR	2 BR	3 BR	
Annual Income	Social Security (Senior) \$25,080 (30% of AMI)	\$85,920 (80% of AMI)	\$47,750 (50% of AMI)	\$42,960 (40% of AMI)	\$71,580 (60% of AMI)
Sample HPD Rent	30% of income \$419	\$1,651	\$1,168	\$900	\$1,653
Sample Market Rate Rent*	\$2,104	\$2,595	\$3,098	\$3,874	

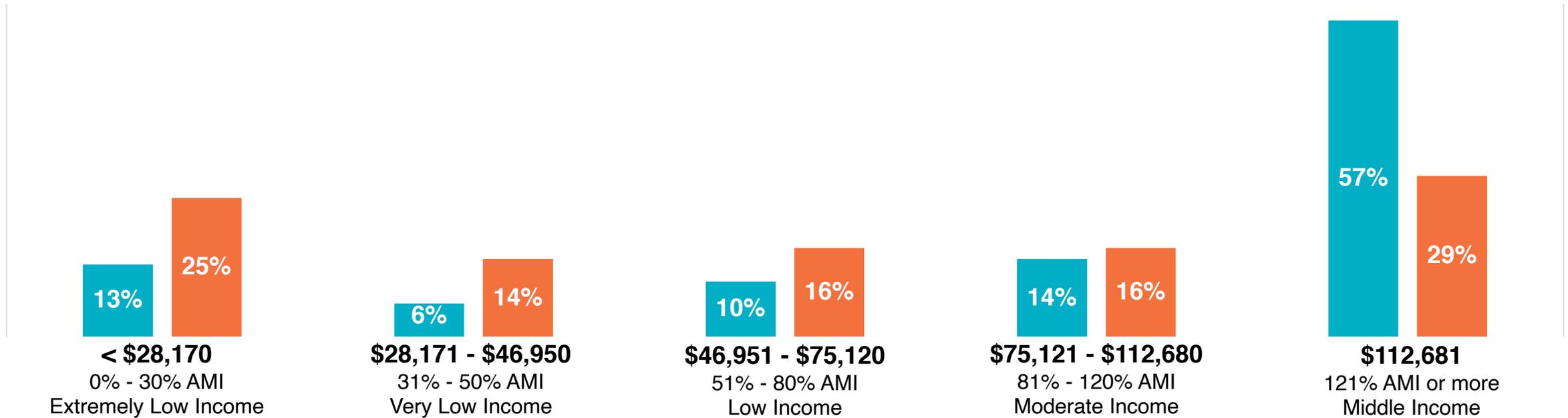
*Market rate rents based on StreetEasy average asking rent for 482 listings in Gowanus, Park Slope, Boerum Hill, and Carroll Gardens on May 2021

03 Neighborhood Conditions

Household Income Distribution

Household Income Distribution in CD6 and NYC

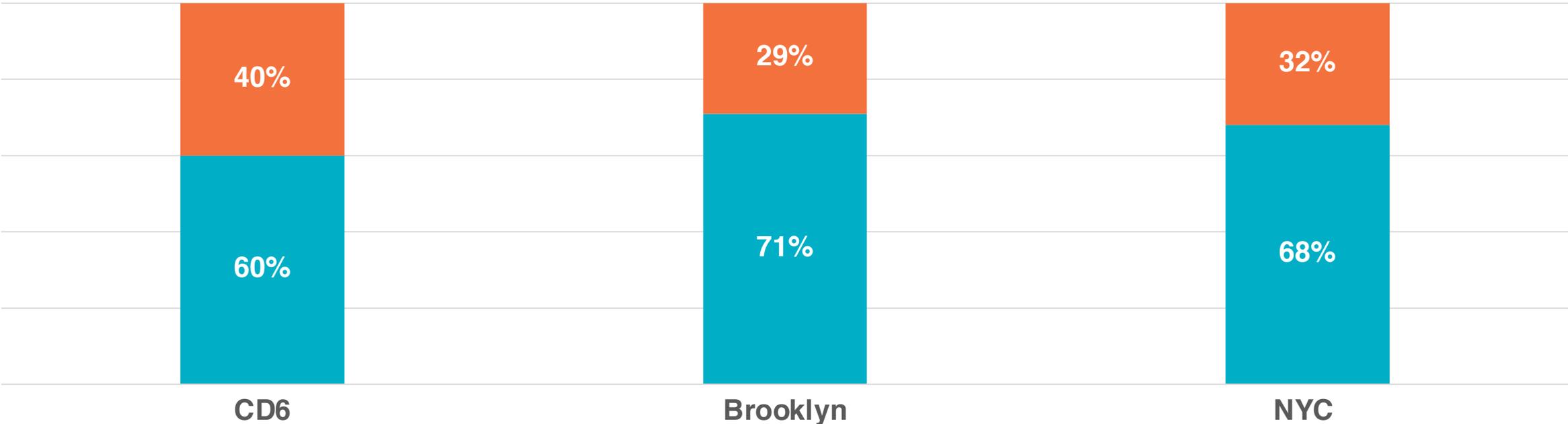
■ CD6 ■ NYC



Source: ACS 2014-2018 5yr PUMS Data

Renters vs Owners

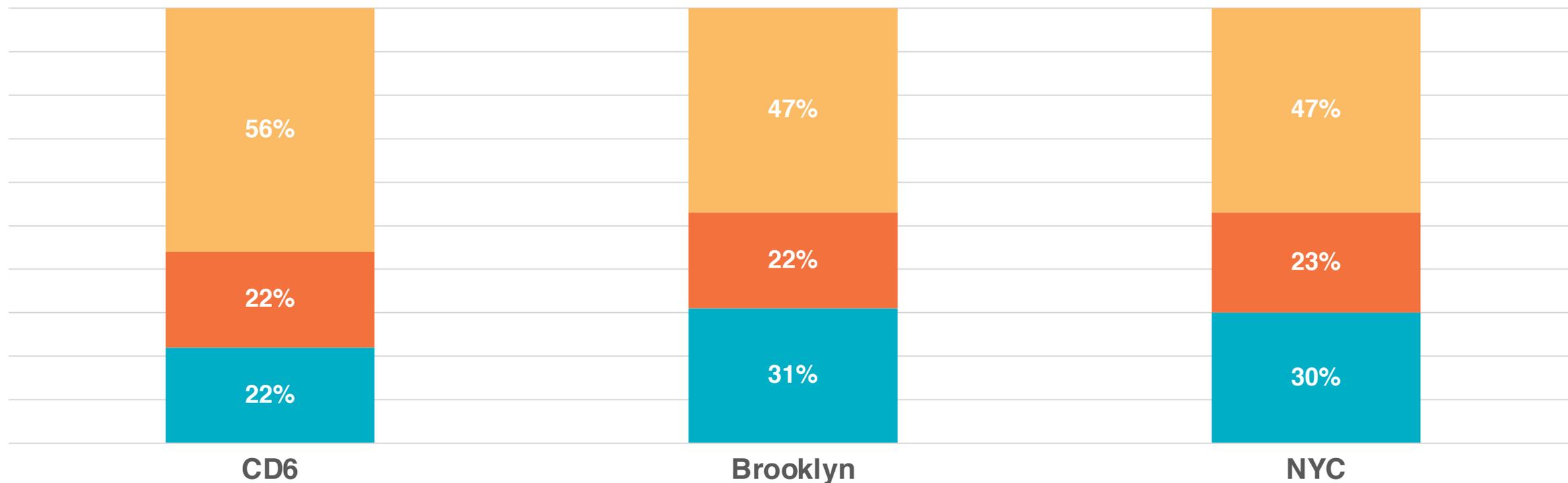
■ Renters ■ Owners



Source: NYC Housing and Vacancy Survey, 2017. US Census Bureau/NYC Dept of Housing Preservation and Development. The NYC HVS is based on 55 Sub-Borough Areas (SBAs that approximate NYC community districts)

Rent Burden

- Severely Rent Burdened (spends over 50% of income on rent)
- Moderately Rent Burdened (spends 30-50% of income on rent)
- Not Rent Burdened (spends up to 30% of income on rent)

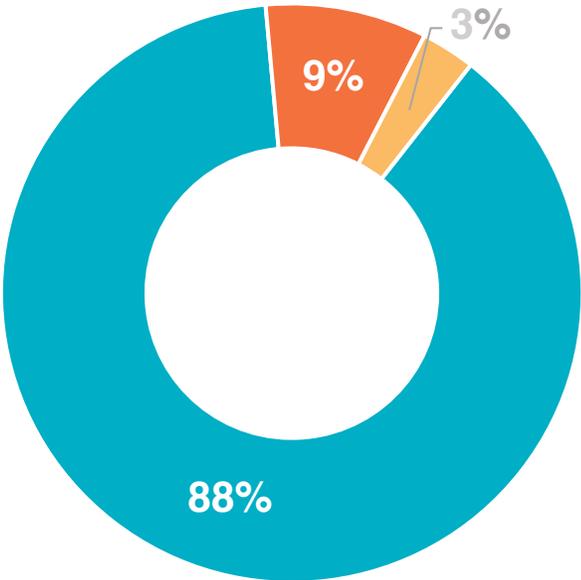


Source: NYC Housing and Vacancy Survey, 2017. US Census Bureau/NYC Dept of Housing Preservation and Development. The NYC HVS is based on 55 Sub-Borough Areas (SBAs that approximate NYC community districts)

CB6 Regulatory Status

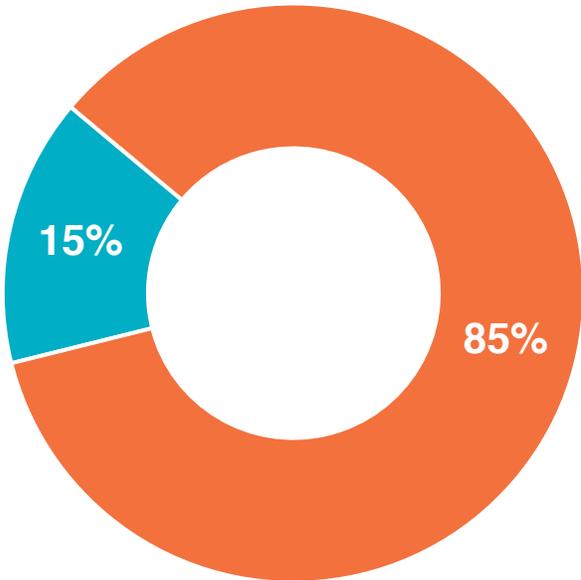
Housing Type

■ Not Government Assisted ■ NYCHA ■ Government Assisted



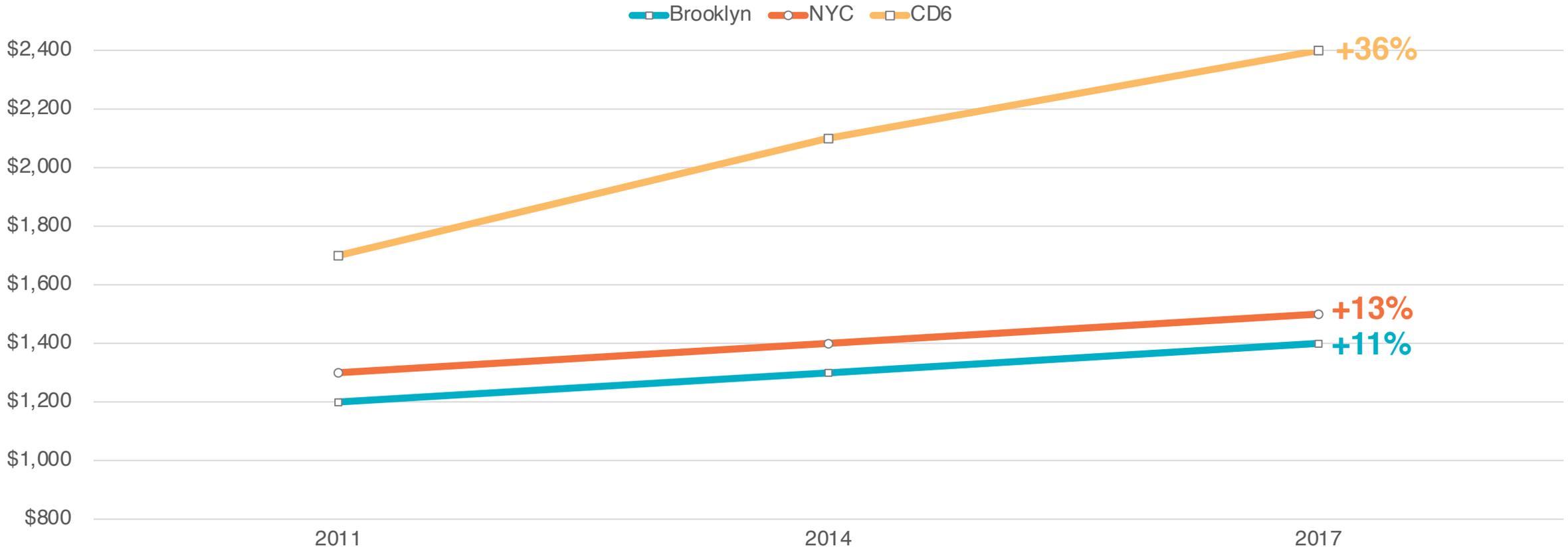
Rent Stabilization

■ Rent Stabilized ■ Not Rent Stabilized



Source: NYC Housing and Vacancy Survey, 2017. US Census Bureau/NYC Dept of Housing Preservation and Development. The NYC HVS is based on 55 Sub-Borough Areas (SBAs that approximate NYC community districts).

Rent Over Time



Source: NYC Housing and Vacancy Survey, 2011, 2014, and 2017. US Census Bureau/NYC Dept of Housing Preservation and Development.

04 City Housing Strategies

Preserve Existing Affordable Housing

- **Finance and safeguard affordability**

- Offer loans and tax incentives to building owners in exchange for keeping homes affordable
- Since 2014, HPD has financed the preservation of 120,746 homes in NYC, including **303 homes in CD6**
- Improve public housing stock while safeguarding residents' tenancy, rights, and affordability

- **Protect tenants**

- Citywide **Tenant Hotline and Portal**
- **Right to Counsel** for tenants facing eviction in housing court
- HPD Tenant Anti-Harassment Unit

Preserve Existing Affordable Housing

- **Promote safe and healthy housing**
 - Improve the quality through rigorous enforcement of the Housing Maintenance Code
 - Make improvements to NYCHA campuses by preserving and developing affordable housing
- **Support low-income homeowners**
 - Provide affordable loans for home repairs to low-income owners of one- to four-family homes
 - One-on-one support through HPD's Homeowner Help Desk



Tenant assistance

- **Eviction prevention**

- Right-to-Counsel Law for tenants facing eviction in housing court (HRA)
- Housing court navigation (Housing Court Answers/HRA)
- Homebase Homelessness Prevention Centers (HRA)

- **Rental assistance and rent freeze**

- “One Shot Deal” emergency assistance (HRA)
- SCRIE and DRIE (DOF)
- CityFHEPS rental assistance supplement

- **Other tools for tenants**

- Mayor’s Office to Protect Tenants (MOPT)
- Office of the Tenant Advocate (DOB)
- Services for tenants facing discrimination (CCHR)

Create New Affordable Housing

- **Loans and tax incentives to facilitate the development of affordable housing**
 - Since 2014, HPD has financed **57,227 new affordable homes** in NYC
 - Of those, less than 1% (453 homes) were in CD6
- **Implement Mandatory Inclusionary Housing (MIH) to require permanently affordable homes in new development**
- **Prioritize development of City-owned land**
- **Support mission-driven affordable housing development groups and Community Land Trusts (CLTs), as well as MWBEs**



Gowanus Green

- **Clean up and transform the site of a former Manufactured Gas Plant into a resilient and environmentally healthy community that provides deeply affordable housing and reconnects the surrounding neighborhoods to each other and to the Gowanus Canal**
 - Site remediation will be part of the Brownfield Cleanup Program
 - City, State, and Federal oversight included to ensure protection of public health and environment
 - Approx. 36,500 square feet of retail, community facility, and commercial space
 - Reserve space for new ~500-seat school
 - 1.5 acre public park, plus other publicly accessible open spaces
 - Six mixed-use residential buildings that will be 100% affordable



Gowanus Green

- **950 units of housing will be 100% affordable, serving New Yorkers with a wide range of incomes and needs**
 - At least **50%** of rental housing will be dedicated to **extremely low/very low-income households** with incomes averaging at or below 50% AMI (approx. \$53,700 for a family of 3), including at least 15% of rental units dedicated to **formerly homeless households**
 - No more than **40%** of rental housing will be dedicated to **moderate income households** with incomes averaging between 80% - 120% AMI (approx. \$85,920 - \$128,880 for a family of 3)
 - **Senior Housing** will be provided for seniors 62+ years in age
 - **Supportive Housing** will be provided for formerly homeless, disabled individuals or homeless families with a disabled head-of-household
 - **Affordable Homeownership** will be provided for households with incomes averaging between 80% - 130% AMI (approx. \$85,920 - \$139,620 for a family of 3)

Mandatory Inclusionary Housing (MIH)

During the public review, the City Council can choose to impose one or both of two options:

- 1. 25%** of housing for households with incomes averaging **\$64,440** (60% AMI)
 - At least **10%** must serve those earning **\$42,960 or below** (40% AMI)
 - Rents could range from **\$836** for a studio (40% AMI) to **\$2,148** for a two-bedroom (80% AMI)

- 2. 30%** of housing for households with incomes averaging **\$85,920** (80% AMI)
 - Rents could range from **\$1,672** for a studio to **\$2,148** for a two-bedroom

Sample incomes are shown based on a 3-person household and 2021 income limits. MIH rents would be determined based on the income limits in place at the time of project closing, and income limits would be determined by the AMIs effective at the time of project marketing.

Mandatory Inclusionary Housing (MIH)

In addition to the two basic options, the City Council may add one or two other options:

3. 20% of housing for households with incomes averaging **\$42,960 (40% AMI)**

- Subsidy is allowed only if more housing is provided
- Rents could range from **\$836** for a studio to **\$1,074** for a two-bedroom

4. 30% of housing for households with incomes averaging **\$123,510 (115% AMI)**

- Requires at least 5% at 70% AMI and 5% at 90% AMI; no subsidy

Mandatory Inclusionary Housing (MIH)

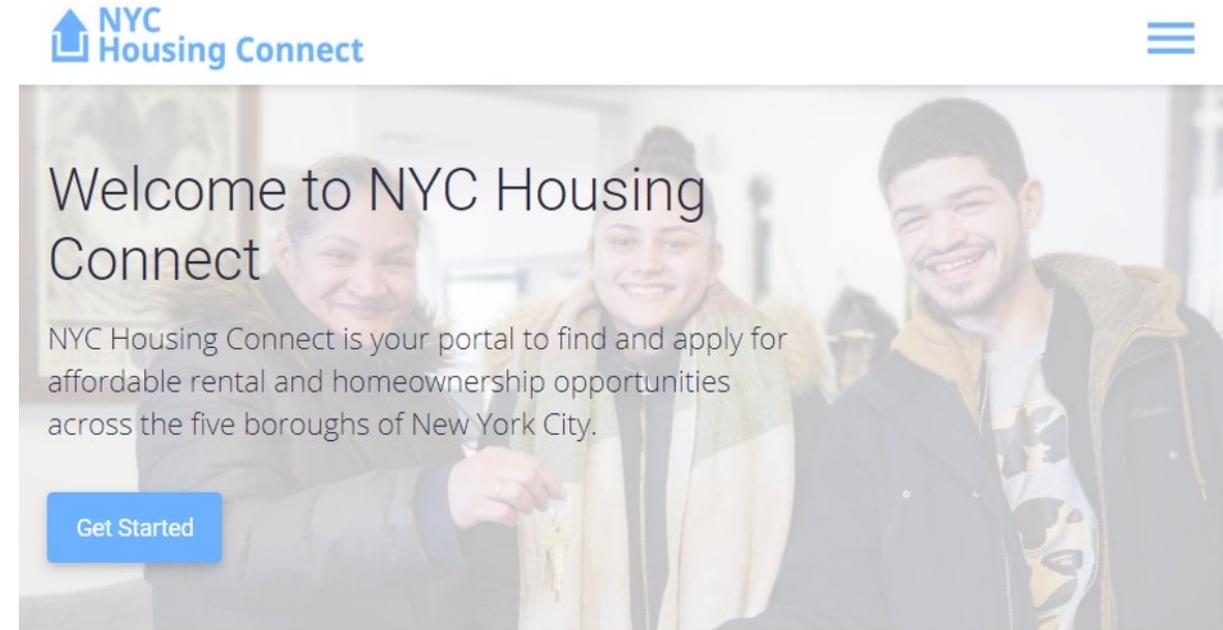
Example MIH Building – Option 1

# of Units	AMI Level	3-person HH Income	Sample 2BR Rent
10	40%	\$42,960	\$1,074
5	60%	\$64,440	\$1,611
10	80%	\$85,920	\$2,148
75	-	-	Market Rent

Sample incomes are shown based on a 3-person household and 2021 income limits. MIH rents would be determined based on the income limits in place at the time of project closing, and income limits would be determined by the AMIs effective at the time of project marketing.

Increase Access to Affordable Housing

- **Redesigned and improved NYC Housing Connect website**
 - Apply for affordable rental, homeownership, re-rental and resale opportunities on the new NYC Housing Connect
 - Mobile friendly design
 - Improved accessibility features for people with disabilities and robust language access
 - User-centered, accessible design.
 - Video guides to help applicants apply



Increase Access to Affordable Housing

- **Housing Ambassador Program**
 - Community-based service providers throughout NYC who help people prepare and apply for Housing Connect affordable housing lotteries
- **Improved and more inclusive eligibility requirements**
 - Limits on use of credit score and history
 - Clarifying eligibility guidelines and streamlining review for self-employed applicants
 - Additional protections for domestic violence survivors
- **NYCHA's Family Re-Entry Program**
 - Allows those recently released from the criminal justice system to reunite with their families in public housing



Housing Ambassador Program