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.
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
What is Mandatory Inclusionary Housing?

A new proposal to use zoning to require permanently affordable housing when future City Planning Commission 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*

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**Proposed Requirements Would Be The Most Rigorous of Any Major U.S. City**

<table>
<thead>
<tr>
<th>AMI</th>
<th>Income*</th>
<th>Sample Occupation</th>
<th>Affordable Monthly Rent for 2BR*</th>
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<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>
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</tbody>
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* 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

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<th>Step</th>
<th>Process</th>
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<td>Zoning Text Amendments to Establish the MIH Program</td>
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<td>2</td>
<td>Application of Mandatory Affordable Housing in Neighborhoods</td>
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### 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