



NEWS FROM
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Tools for Developing New Affordable Housing: An approach for Manhattan

Dedicated Funding for Affordable Housing

With the high cost of development in the Borough of Manhattan serving as one of the biggest barriers to the creation of new affordable housing, New York City should create a dedicated fund used to encourage the development of permanent affordable housing in Manhattan. Such a fund would be used to incentivize developers to build more affordable units in high cost neighborhoods, allowing these neighborhoods to remain economically diverse.

One such opportunity would be to transfer 33% or a similar appropriate portion of the Department of Homeless Services budget to the Department of Housing Preservation & Development to spur the creation of new permanent affordable housing units. The units created from this funding stream should be targeted at or below 40% of Average Median Income (AMI), and preference should be given to those currently in homeless shelters. This process would provide a clear path from shelters to permanent units and thus offset the homeless population. Further, the City of New York should work to make sure this population is successful in permanent housing by providing the resources and workforce support necessary for them to achieve stability.

Mandatory Inclusionary Housing

It should be the policy of the City of New York that any new housing development, *including as-of-right developments*, should include a percentage of permanent affordable units that would allow for ethnic and economic diversity throughout the Borough.

Real estate in Manhattan is generally more expensive than in other parts of the City and State because of the high value of property in this Borough.

Many have argued that because of this, it is cost-prohibitive for those looking to develop housing to build fully or even partially-affordable developments. However, the City has a responsibility to the public to ensure its residents can live and remain in their neighborhoods. The only way to ensure that Manhattan remains ethnically and economically diverse is to ensure we have neighborhoods that are accessible to all residents. The creation of large amounts of new market-rate housing, in Manhattan in particular, contributes to the lack of affordable housing both directly, by replacing previous more affordable units, and indirectly, by bringing in wealthier residents who contribute to increases in cost of goods and services. This development impact should be mitigated by the mandatory provision of permanent affordable apartments in all developments.

Adjustments to Existing Inclusionary Zoning Policy

The City of New York has in the past provided tax benefits and other subsidies such as bonus floor area for housing developments that included a percentage of affordable units (typically 20%). However, these programs have not been sufficiently tailored to match the neighborhood housing demands and can be reformed to better meet these permanent affordability and diversity goals:

- The affordability levels of any development should be tailored to the needs of the neighborhood.
- Projects receiving tax benefits should provide more affordable units than the previously accepted 20% of the development.
- Require affordable units to be equally distributed throughout the development to ensure equity of treatment and access within the building, while also realizing the social and economic benefits of a mixed income residence.
- Serve a variety of income levels within each building, including moderate and middle income units.
- When additional building size is permitted on a development, that additional bulk should be tailored to both the scale of the neighborhood and the value of land in that area. A standard bonus size across all developments does not reflect the higher value to the developer of that bonus in particularly high-rent areas.
- Explore increasing the duration of financial benefits in order to incentivize deeper levels of affordability and allow for the long-term maintenance of those units.

Development on Public Housing Property

While there remains an extremely viable opportunity to build new affordable housing on current publicly owned housing stock (NYCHA properties), any such development must be neighborhood-focused and simultaneously address the needs of the existing residents. Specific guidelines to govern any new developments on NYCHA property should at the minimum include:

- Any new housing on NYCHA property shall be permanently affordable.
- NYCHA residents, as well as local community members, must be active participants in the planning and design of new projects including ensuring that the plan takes into consideration efforts to mitigate overcrowding in the neighborhood (i.e. transportation, sanitation, education).

- The affected NYCHA residents should have a role in the discussion regarding any new development on their property to ensure quality of life concerns such as locations of trash compactors and access to common spaces, and the quality and use of open spaces are addressed.
- The land being developed is a public asset and should not be sold. Instead, it should be conveyed to a developer through long term lease (i.e. 99 years) that reverts back to the public at the end of the lease term. This will also serve to provide ongoing funding to NYCHA from each development, rather than one-time payments.
- If the planned development on a particular NYCHA space is designed to raise revenue for the city, these funds should be dedicated toward the necessary infrastructure support on existing NYCHA building stock.
- Any new construction on NYCHA property should be coupled with rehabilitation of the existing tenant units at the particular NYCHA campus, commencing simultaneously with the new development.
- A preference for partnerships between nonprofit and private developers that focus on building permanent affordable units.

Coordinated Neighborhood Rezoning

Manhattan has several neighborhood pockets that would benefit from large-scale rezoning and planning initiatives. These initiatives must serve a dual purpose; expedite the development of new affordable housing and protect neighborhood character.

In development-heavy communities, site-specific changes to the zoning are being put forward as existing zoning district designations are often out of date. Rather than rezone for particular, much-needed developments, it would make much more sense to take an overall, holistic look at some of these corridors and explore rezoning these neighborhoods. The current piecemeal approach is slow and does not take into account the cumulative impacts to a neighborhood.

There are many Manhattan neighborhoods that could accommodate a significant amount of new permanent affordable housing, but this must be planned for comprehensively to ensure infrastructure needs are met to avoid overwhelming our neighborhoods.

Utilize School System Space

The New York City School system has a large property portfolio throughout Manhattan which may present opportunities for appropriate development. Many school buildings are underutilized with regards to available vacant land, available footprint of their buildings, or the potential sale of their air rights which could be used to develop permanent affordable housing in other parts of Manhattan.

This is a concept that the administration should explore, with the caveat that any potential infill development on vacant school land does not interfere with the regular school schedule.

Appropriate mitigation measures during on-site development should be taken including:

- Local community approval of any school based plan, including the local Community Board, elected officials, and Community Education Council.

- Seeking to avoid the displacement of students from their schools or neighborhoods.
- Infill development may only work on a property capable of handling the temporary displacement or is large enough for a comfortable coexistence.
- If construction should need to occur during a substantial part of the school year, create a plan that temporarily relocates the students to an appropriate site for a defined term and communicate such to the parents and the community well in advance.

Catalogue of New Housing and Usable City-Owned Space

A public database should be created, or if one exists it should be made available to the public that catalogues all of the current affordable housing units in the Borough, if there are any expiration dates to that affordability, and what new units are being developed and their expected availability dates. In addition, there should be separate catalogue of all of the city-owned properties that are available for the development of new permanent affordable housing units.

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