



Greenwich
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Preservation

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**TESTIMONY OF THE GREENWICH VILLAGE SOCIETY
FOR HISTORIC PRESERVATION
BEFORE THE NEW YORK CITY COUNCIL
REGARDING MANDATORY AFFORDABLE HOUSING PROPOSAL
February 9, 2016**

Requiring a percentage of affordable housing in new developments, as MIH proposes, could be reasonably assumed to help affordability in New York City.

But the Mayor has insisted that MIH would only be applied if also very significantly increasing the amount of market rate or luxury housing which would be allowed, which would have the exact opposite effect.

This is essentially applying the Williamsburg/Greenpoint and West Chelsea/Hudson Yards model to the entire city. Those neighborhoods were rezoned in 2005 to allow significantly increased market rate development in exchange for affordable housing creation. In the past ten years, these two neighborhoods have produced far and away the most new affordable housing units in the city through the inclusionary zoning program. But the tsunami of market-rate housing which was the price to pay for it has made these two neighborhoods physically and socio-economically unrecognizable. They look more like Hong Kong or Miami than New York City, and they are among the least affordable, most rapidly gentrifying parts of the city – a process greatly accelerated by the vast increase in the amount of allowable market-rate residential development from the rezonings. And while MIH would produce a slightly higher proportion of affordable housing than in these areas (25-30% as opposed to 25% in West Chelsea/ Hudson Yards and 20% in Williamsburg/Greenpoint – see attached City Planning data for Community Board #4, Manhattan and Community Board #1, Brooklyn), the overall effect would nevertheless be largely the same.

Tying MIH exclusively to large-scale upzonings and significantly increasing the allowable amount of market rate housing also means that it will almost undoubtedly will not be applied in many parts of the city. Areas of the city with housing markets strong enough to support MIH without government subsidy and without requiring large scale increases in the size of development are found largely in medium to high density districts in Manhattan and Brooklyn. Arguably these communities in some ways need affordable housing most. In most cases, however, these are also communities which value maintaining a human scale and character, and would strongly oppose large-scale upzonings, though they would likely welcome new affordable housing. This MIH policy needlessly puts these two important public policy goals in opposition.

The de Blasio administration has made clear that they won't consider turning the many voluntary 'Inclusionary Housing' districts already mapped in many of these areas into mandatory ones. And when we proposed rezoning the University Place/Broadway corridor of our neighborhood to allow modest increases in the size of new

development for including affordable housing, the de Blasio administration rejected it, saying that only a large-scale upzoning would be considered. They preferred instead to keep in place the existing zoning which guarantees that only luxury condos will be built in this area.

The administration claims such enormous increases in the allowable amount of market rate housing are necessary to make the production of the required affordable housing economically feasible, and to insulate against legal challenges. But these are false claims. Reports and analysis by the Furman Center at NYU and the Association for Neighborhood and Housing Development both point out that in many parts of the city, affordable housing could be produced as a mandatory component of new developments without the need to increase the allowable size of development. And clearly the legal requirement that inclusionary zoning allow property owners to make a “reasonable return” on their investment would not necessitate massive upzonings in many parts of the city. This is evidenced by the fact that many developers in existing inclusionary zones choose to participate in the affordable housing program right now, with just the modest bulk increases they currently receive in return.

In fact, this policy of tying MIH to massive increases in the allowable amount of market-rate housing seems to be driven more by the administration’s desire to maintain favor with the real estate industry and not damage their profits than by any real concern about affordability. Rather than asking the real estate industry to bear its fair share of the burden, the administration wants communities to needlessly sacrifice their light, air, scale and character in exchange for affordable housing, and in the end to accept a program which will have the overall effect of making their communities less affordable.

I urge the Council to instead be guided by a clear evaluation of what will really address affordability, rather than a desire not to offend developers. Allow communities to maintain their scale and character, and do not make affordable housing requirements or new rezonings dependent upon large and damaging increases in the allowable amount of market-rate development, as currently contemplated for MIH.

Thank you.

From Department of City Planning Website: http://www.nyc.gov/html/dcp/html/ih_production/index.shtml

Inclusionary Housing Designated Areas Total Housing Units Created in New Buildings and IH Affordable Units Produced Through July 2013			
Community District	Number of Units in Buildings Issued NB Permits Within Designated Area	Total affordable units produced through IH	% of total units permitted
BK 1*	6825	996	14.6%
BK 2	99	0	0.0%
BK 3	321	90	28.0%
BK 6	0	0	n/a
BK 7	97	6	6.2%
BK 13	0	0	n/a
BK 14	0	0	n/a
Brooklyn total	7342	1092	14.9%
BX 1	201	40	19.9%
BX 3	0	0	n/a
BX 4			n/a
BX 6	5	0	0.0%
BX 7	0	0	n/a
Bronx total	206	40	19.4%
MN 1	19	0	0.0%
MN 2	0	0	n/a
MN 3	461	89	19.3%
MN 4	6055	1470	24.3%
MN 6	0	0	n/a
MN 7	616	127	20.6%
MN 9-10-11**	191	37	19.4%
Manhattan total	7342	1723	23.5%
QN 1	81	0	0.0%
QN 2	157	0	0.0%
QN 12	182	33	18.1%
Queens total	420	33	7.9%
NYC total	15310	2888	18.9%
*In upland areas of the 2005 Greenpoint-Williamsburg rezoning, some areas zoned R6B or R6 are only eligible for a much smaller bonus, which provides a limited incentive for a smaller share of affordable units. Excluding these areas, Brooklyn CD 1 had permits for 6,309 total units in new buildings, and Inclusionary Housing affordable units represent 15.8% of this total.			
** The 125th Street rezoning (adopted in 2011) included portions of Manhattan CDs 9, 10, and 11.			

