



Create homes for almost a million more New Yorkers, while making housing more affordable and sustainable

New York City's population will grow from 8.25 million today to roughly 9.1 million in 2030. While this growth will offer benefits—more jobs, a broader tax base, and an even more vibrant urban culture—it will also bring challenges. The primary challenges are to accommodate the 900,000 new residents and decrease the existing gap between housing supply and housing demand that has made housing less affordable in recent decades. To meet these goals, 265,000 new housing units will need to be added above what was under construction in 2005. To reduce prices and stimulate production, we must expand the potential for housing supply beyond our current capacity—to relieve the pressure to find land, which is a key factor driving up the market cost of housing. At the same time, we must direct that growth to parts of the city where the additional population will not undermine the quality of life.

Our plan for the future of housing includes the following initiatives:

Continue publicly-initiated rezonings

- 1 Pursue transit-oriented development
- 2 Reclaim underutilized waterfronts
- 3 Increase transit options to spur development

Create new housing on public land

- 4 Expand co-locations with government agencies
- 5 Adapt outdated buildings to new uses

Explore additional areas of opportunity

- 6 Develop underused areas to knit neighborhoods together
- 7 Capture the potential of transportation infrastructure investments
- 8 Deck over railyards, rail lines, and highways

Expand targeted affordability programs

- 9 Develop new financing strategies
- 10 Expand inclusionary zoning
- 11 Encourage homeownership
- 12 Preserve the existing stock of affordable housing throughout New York City

Housing

OUR PROGRESS

Approved three transit-oriented rezonings and started construction on more than 13,000 affordable housing units

We are making great progress toward our housing goals. Since mid-2005, building permits for more than 78,000 new units have been issued, which means that our housing supply is expanding significantly. (See *chart: New Privately-Owned Residential Units/Building Permits Issued*). Rezoning in transit-oriented areas are expanding potential supply as well; rezonings adopted since 2005 could result in more than 36,000 new housing units, including 5,200 in the Jamaica rezoning alone,

and anticipated rezonings could facilitate over 35,000 new units. The City is also on track to achieving the Mayor's goal of creating and preserving 165,000 affordable housing units in ten years under the New Housing Marketplace Plan. As of January 2008, 69,836 units of affordable housing had been started under this plan. Over the next year, both rezoning and implementation of the affordable housing plan will continue to create affordable and sustainable housing.



The Amezcuita family moves into their new home at the Morrisania green development in the Bronx

Credit: Mayor's Office

Continue publicly-initiated rezonings

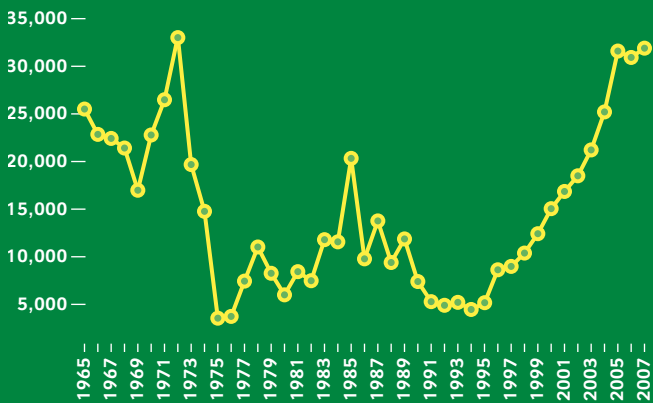
The City is taking the lead in ensuring sustainable housing growth by promoting transit-based development. Opportunities to encourage new housing development are being maximized through rezonings of underutilized manufacturing districts and other underbuilt areas where transit infrastructure exists to support additional residential density. We are working with communities to identify these locations. We are also continuing to reduce zoned density in areas where such infrastructure does not exist. (See *map: Adopted City-Initiated Rezoning*)

In September 2007, the City adopted the Jamaica Plan rezoning, the largest rezoning project of this Administration. The rezoning is anticipated to spur significant new development around a major transit hub. With easy access to multiple transportation options, this area will accommodate increased residential development. Since July 2007, the City has also approved transit-oriented rezonings for the Upper West Side in Manhattan, Bedford-Stuyvesant, and Fort Greene/Clinton Hill in Brooklyn. Other rezoning proposals in the pipeline include those for Harlem's 125th Street, Dutch Kills, Lower Concourse, and Sunset Park neighborhoods.

Create new housing on public land

This last fiscal year, we started almost 1,700 units of affordable housing on public land. Last August, we presented keys to the first low-income homebuyer at the Marcy New Homes development in Brooklyn, which was formerly City-owned vacant land. Also last summer, on West 147th Street in Manhattan, a facility known as P.S. 90 was approved for conversion to approximately 75 affordable residential units and community facility space. We

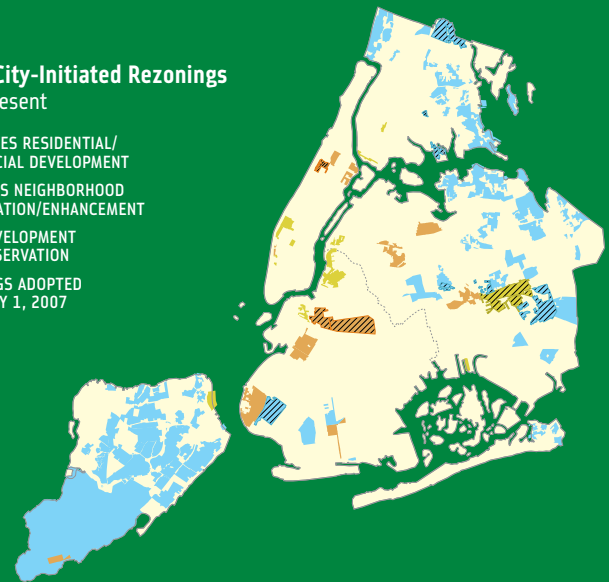
New Privately-Owned Residential Units/Building Permits Issued New York City 1965–2007



Source: U.S. Census New Construction Statistics

Adopted City-Initiated Rezoning 2002 to Present

- FACILITATES RESIDENTIAL/COMMERCIAL DEVELOPMENT
- PROMOTES NEIGHBORHOOD PRESERVATION/ENHANCEMENT
- BOTH DEVELOPMENT AND PRESERVATION
- ▨ REZONINGS ADOPTED SINCE MAY 1, 2007



Source: NYC Department of City Planning

will continue to survey existing City land uses for additional opportunities for adaptation and reuse for housing.

Explore additional areas of opportunity

We have prepared a draft inventory of rail yards, rail lines, and highways that have the potential to be decked over and redeveloped with housing and other uses. We will issue the final report later this year. In parallel, the City and the Metropolitan Transportation Authority (MTA) are moving forward with plans to deck over the Caemmerer Railyards on Manhattan's west side to create new land for development; a developer was announced on March 26, 2008.

Expand targeted affordability programs

The challenge of affordability affects households in all five boroughs. That is why we are harnessing the city's real estate market to create more affordable housing. Innovative tools include leveraging the expanding role of private capital in affordable housing and adapting tax and zoning incentives to the current market. This year will see City-initiated reforms to the 421-a tax incentive program, a program to encourage construction of affordable and market-rate housing through a tax exemption. The changes will modernize the tax incentive to better target it toward the creation of housing for low- and middle-income families. Through the creation of an Affordable Housing Trust Fund, the program will create affordable housing in the 15 poorest neighborhoods in the city. These reforms aim to create the maximum amount of affordable housing for the city and ensure that construction of new housing continues at a strong pace.

Inclusionary zoning creates affordable housing by allowing developers to build more units in exchange for making as much as a third of the apartments affordable to moderate-income New Yorkers. In October 2007, as construction neared completion, the lottery opened for Palmer's Dock, the first project to use the new Inclusionary Housing Program, in the recently rezoned area of Greenpoint-Williamsburg; it will provide 113 affordable housing units. Upcoming rezonings such as Dutch Kills in Queens, Lower Concourse in the Bronx, and Coney Island in Brooklyn, will add the potential for more than 3,800 affordable units through the Inclusionary Housing Program. (See map: *Rezonings with Inclusionary Zoning*)

In the wake of the mortgage foreclosure crisis, the City has moved beyond just encouraging homeownership to preserving existing homeownership. In December 2007, the City, with nonprofit and philanthropic partners, launched the Center for NYC Neighborhoods to mitigate the effects of concentrated foreclosures in New York City, and protect New Yorkers and their neighborhoods. In its first year, the Center expects to provide assistance to approximately 18,000 New Yorkers across the five boroughs.

The Center is a joint effort of the NYC Department of Housing Preservation and Development, the City Council, private philanthropy, banks and lenders, and the city's nonprofit community. The effort aims to fund a major expansion and coordination of counseling and referral services, legal assistance loan remediation, preventive outreach, and education about subprime lending and mortgage foreclosures. The Center is the first of its kind in the nation and will establish national best practices for addressing the mortgage crisis.



CASE STUDY: THE REVITALIZATION OF JAMAICA, QUEENS

New federal office buildings, a new campus for York College, and AirTrain light rail service linking to JFK International Airport have triggered new private investment in this vibrant neighborhood. But Jamaica's zoning, largely in place since 1961, limited future redevelopment of the downtown area.

As part of a multi-agency initiative, called the Jamaica Plan, the Department of City Planning initiated a rezoning proposal for a 368-block area. The rezoning, adopted in September 2007, will leverage Jamaica's superior transit infrastructure to spur the creation of 3 million square feet of commercial space in the central business/transportation hub with 9,500 jobs and 5,200 housing units, including over 700 affordable units. Zoning changes will protect adjacent lower-scale neighborhoods. The Jamaica Plan will also significantly upgrade sewer and water infrastructure and provide new open space and additional street trees.

Rezoning with Inclusionary Zoning

- ADOPTED
- IN PIPELINE



Source: NYC Department of City Planning

Next Steps

While the successes over the past year have been significant, we still have much work to do to prepare for the needs of future New Yorkers. We will continue to work on rezonings that increase density in neighborhoods with good transit. We will also continue innovative projects such as adapting outdated buildings to new uses as we did at the Park Lane at Sea View on Staten Island where we renovated the historic Nurse's Residence and Cottageto create apartments for senior citizens. We will continue to rehabilitate the New York City Housing Authority's housing stock, the largest in the country, to maintain these 180,000 public housing units for the foreseeable future.

Housing Progress

INITIATIVE	LAUNCHED*	PROGRESS SINCE APRIL 22, 2007	IMPLEMENTATION MILESTONE FOR DECEMBER 2009
1 PURSUE TRANSIT-ORIENTED DEVELOPMENT			
Use upcoming rezonings to direct growth toward areas with strong transit access	✓	Jamaica rezoning passed in Sept. 2007. Other approved rezonings: Upper West Side, Fort Greene/Clinton Hill, Bedford-Stuyvesant. 125th St. rezoning approved by the City Planning Commission in March 2008. Will launch public review in 2008 for: Moynihan Station, Manhattan; Lower Concourse and 161st St./River Avenue, Bronx; Dutch Kills, Queens; and St. George, Staten Island	Complete current Administration's agenda for rezonings and land use studies
2 RECLAIM UNDERUTILIZED WATERFRONTS			
Continue restoring underused or vacant waterfront land across the city	✓	Draft Environmental Impact Statement scoping document for Coney Island rezoning issued Feb. 13, 2008. Public review to begin by early 2009. Anticipate start of public review process for Hunter's Point South and Lower Concourse rezonings in 2008. Studying the Gowanus Canal Corridor and Staten Island North Shore	Complete current Administration's agenda for rezonings and land use studies
3 INCREASE TRANSIT OPTIONS TO SPUR DEVELOPMENT			
Use transit extensions to spark growth as the subways did more than a century ago	✓	The 34th Street BRT is scheduled for implementation in summer 2008 and will support the Hudson Yards development and the Moynihan Station Project	Implement increased transit options including BRT to spur development
4 EXPAND CO-LOCATIONS WITH GOVERNMENT AGENCIES			
Pursue partnerships with City and State agencies throughout the city	✓	HPD and NYCHA received responses to the Affordable Housing for the Bronx RFP in December 2007, which includes three new construction development sites and one rehabilitation site that together will result in over 1,000 rental and homeownership units. With DOT, construction will begin on the former Cook St. DOT parking lot site in Brooklyn	Create database of City, State, and Federal land for co-location opportunities and housing
5 ADAPT OUTDATED BUILDINGS TO NEW USES			
Seek to adapt unused schools, hospitals, and other outdated municipal sites for productive use as new housing	✓	On Aug. 22 2007, keys were presented to low-income homebuyers at the Marcy New Homes development. On Sept. 27, HPD announced teams to build affordable housing on NYCHA properties on Manhattan's West Side. In October, a rehabilitation project began on the Sea View Hospital Campus, to provide apartments for low- and moderate-income senior citizens	Use database to identify and execute on initial sites
6 DEVELOP UNDERUSED AREAS TO KNIT NEIGHBORHOODS TOGETHER			
Continue to identify underutilized areas across the city that are well-served by transit and other infrastructure	✓	On July 30, 2007, DCP issued a framework to guide future land use changes in the Gowanus Canal Corridor that would reconnect the vibrant neighborhoods on either side of the canal; project awaiting funding for the EIS. City preparing for public review process for Flushing Municipal Parking Lot 1 rezoning in Queens	Complete current Administration's agenda for rezonings and land use studies
7 CAPTURE THE POTENTIAL OF TRANSPORTATION AND INFRASTRUCTURE INVESTMENTS			
Examine the potential of major infrastructure expansions to spur growth in new neighborhoods	✓	Jamaica rezoning passed on September 10, 2007, capitalizing on opportunities provided by the AirTrain. City expects to begin public review for Willets Point rezoning in 2008. Working on a rezoning around West 34th St. area in Manhattan, as part of the Moynihan Station project, for which a scoping document was issued in 2007	Identify rezoning opportunities that emerge with the implementation of new transit projects†
8 DECK OVER RAILYARDS, RAIL LINES, AND HIGHWAYS			
Explore opportunities to create new land by constructing decks over transportation infrastructure	✓	Preparing a draft inventory of railyards, rail lines, and highways with the potential to be decked over and redeveloped. Final report to be issued in summer 2008. City and MTA moving forward with plans to deck over Caemmerer Railyards; MTA selected developer on March 26, 2008, and will begin environmental work in spring 2008	Identify railyards, rail lines, and highways that coincide with sustainable development and have the capacity for anticipated growth
9 DEVELOP NEW FINANCING STRATEGIES			
Continue to pursue creative financing strategies to reach new income brackets	✓	City actively pursued passage of new 421-a legislation to allow the City to leverage new development for affordable housing. In February 2008, the State Legislature signed final pieces of the new legislation into law and began the public review process for Rules of Implementation	Complete the Mayor's New Housing Marketplace Plan to build 165,000 units of affordable housing
10 EXPAND INCLUSIONARY ZONING			
Seek opportunities to expand the use of inclusionary zoning (IZ), harnessing the private market to create economically integrated communities	✓	Encouraging IZ in rezonings: Hudson Yards, Greenpoint/Williamsburg, West Chelsea, South Park Slope, Maspeth/Woodside, Fort Greene/Clinton Hill, Bedford Stuyvesant, and the Upper West Side. Pursuing IZ in 125th St., Lower East Side, and Dutch Kills rezonings. Considering IZ in rezoning proposals: Lower Concourse, 161st St./River Avenue, Sunset Park, Coney Island, DUMBO, and Sherman Creek	Pursue inclusionary zoning in all appropriate rezonings initiated and reviewed by the City
11 ENCOURAGE HOMEOWNERSHIP			
Continue to develop programs to encourage home ownership, emphasizing affordable apartments over single-family homes	✓	Center for NYC Neighborhoods created to mitigate the effects of concentrated foreclosures with counseling and referral services, legal assistance, loan remediation, preventive outreach, training, research, and advocacy. Released RFP for the development of low-income homeownership housing and rentals in the Bronx in September 2007	Complete the Mayor's New Housing Marketplace Plan to build 165,000 units of affordable housing
12 PRESERVE THE EXISTING STOCK OF AFFORDABLE HOUSING THROUGHOUT NEW YORK CITY			
Continue to develop programs to preserve affordable housing that so many New Yorkers depend upon today	✓	Preserved over 60,000 units of affordable housing since 2005. In fall 2007, HPD evaluated a 20-project portfolio of New York City-held HUD multifamily mortgages to determine how to preserve their affordability, and continues to work with a preservation consultant to develop a comprehensive approach to increasing preservation efforts	Complete the Mayor's New Housing Marketplace Plan to build 165,000 units of affordable housing

* Initiative begun by the City, including planning or advocacy stages
 † 2015 milestone set--no 2009 milestone