Housing New York Mandatory Inclusionary Housing



Principles for MIH

- Promote neighborhood economic diversity
- Support housing production and feasibility for a range of neighborhoods and housing types
- Use subsidy strategically and efficiently
- Create a Mandatory Inclusionary Housing <u>Area</u> (MIHA) where zoning changes (or CPC special permits) substantially increase permitted residential density





Applicability Within an MIHA

Within a mapped MIHA, a development is required to comply with the MIH program requirements if it meets the following criteria:

- A development, enlargement, or conversion that is either
 - > 10 residential dwelling units OR
 - > 12,500 sf of residential floor area



MIH Options

For every MIHA that is mapped through the land use review process, the CPC and Council can make one or both of the following options available:

Option 1: 25 percent of housing at an average of 60% AMI Minimum 10% at 40% AMI

Option 2: 30 percent of housing at an average of 80% AMI

In addition to Option 1 and/or 2, the following options may also be available:

<u>Deep Affordability Option:</u> **20 percent** at an average of 40% AMI (direct subsidies not permitted unless they support more affordable housing)

Workforce Option: 30 percent at an average of 115% AMI (direct subsidies not permitted)

- Minimum 5% at 70% AMI + 5% at 90% AMI
- Sunsets (no new buildings may use option) 10 years after its application to any MIH area
- Not available in Manhattan CDs 1-8

Every development that triggers MIH requirements will choose <u>one</u> of the mapped options



Other Key Features of Program

Nature of requirements

- Required affordable units must be new, permanently affordable
- For projects that exceed 10 residential dus or 12,500sf of residential FA but do not exceed 25 residential dus or 25,000sf of residential FA, a <u>payment-in-lieu</u> option exists
- MIH Requirements may be reduced or waived through a BSA special permit where they would make development infeasible (hardship relief)

Location of affordable units

- On-site, same building as market-rate units, spread on at least 65% 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 – additional 5% affordable housing required



Payment In Lieu Option

Applicability

For projects that exceed 10 residential dus or 12,500sf of residential FA but do not exceed 25 residential dus or 25,000sf of residential FA, a <u>payment-in-lieu</u> option exists:

- In lieu of providing affordable units, a contribution can be made to an Affordable Housing Fund (managed by HPD)
- The fund is used to support the creation and/or preservation of affordable housing in the Community District where the contribution originated



Payment In Lieu Option

Fee Formula

Payment in Lieu Fee = (27.5% of RES FA) x (PSF contribution rate for the Community District)

Fee Tier	Community District	Amount of Affordable Housing Fund Contribution Per Square Foot	
1	101 102 103 104 105 106 107 108	\$1,075	CB6 is \$605 psf
2	301 302 306 402	\$605 ~	
3	109 110 111 303 304 307 308 401 406	\$ 535	
4	112 208 309 310 311 312 313 314 315 403 404 405 407 408 409 411	\$280	
5	201 202 203 204 205 206 207 209 210 211 212 305 316 317 318 410 412 413 414 501 502 503	\$260	

Fee Example

For a development with 20,000sf of Residential FA, the fee would be: \$3,327,500

 $= (27.5\% \text{ of } 20,000) \times (\$605)$



Other Key Features of Program

FAR and height limits

- Buildings that satisfy MIH requirements are subject to the <u>higher FARs</u> of the Inclusionary Housing program (e.g., 4.6 FAR in R7A)
 - Includes buildings for which requirement has been reduced via BSA special permit
- Buildings that are <u>not subject to MIH requirements</u> are subject to the <u>standard</u>
 FAR of the district (e.g., 4.0 FAR in R7A)
 - Includes buildings that fall below the 10-unit applicability threshold, as well as buildings that receive a full BSA waiver of MIH requirements
- Buildings that provide affordable units on the same zoning lot may use the more flexible contextual height and setback limits established by ZQA



Administration of MIH

Prior to construction

- The City will require a Restrictive Declaration approved by HPD to be signed by the developer and recorded against the MIH property
- Thereafter DOB may issue building permits
- The Restrictive Declaration will identify the property and the MIH option selected (including rents, floor area & a list identifying the MIH units)
- The MIH requirement attaches to the property in perpetuity; the Restrictive Declaration provides clarity on how MIH requirement applies to a particular site

After construction

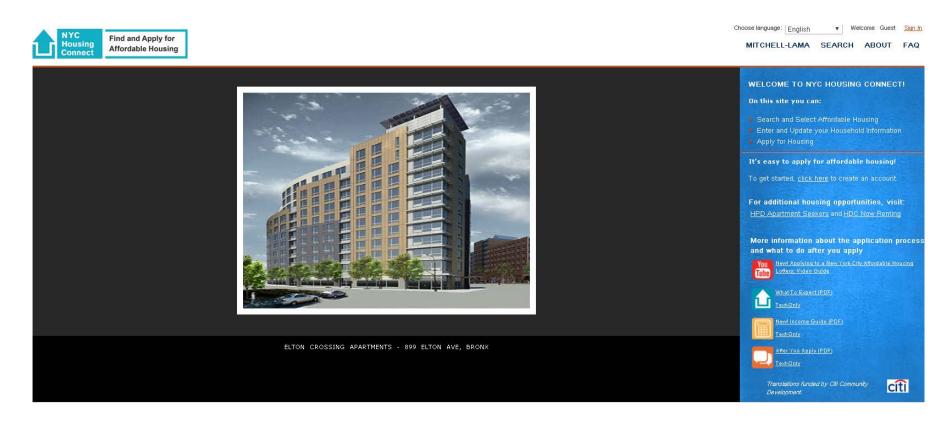
- No certificates of occupancy will be issued in MIH areas without proof of compliance with MIH
- The City intends to enact a local law to permit HPD to issue fines, reduce tax exemptions and provide for other penalties for violations of MIH



Administration of MIH

Housing Lottery

All affordable units created pursuant to MIH are tenanted via a lottery system







Questions?

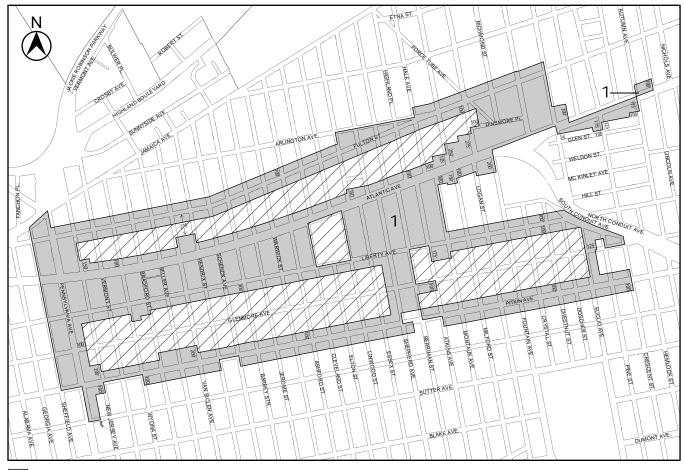


Brooklyn

Brooklyn Community District 5

In the R6A, R6B, R7A and R8A Districts within the areas shown on the following Map 1:

Map 1 - (date of adoption)



Mandatory Inclusionary Housing Area (MIHA)

1 MIH Program Option 1 [Section 23-954(b)(1)]

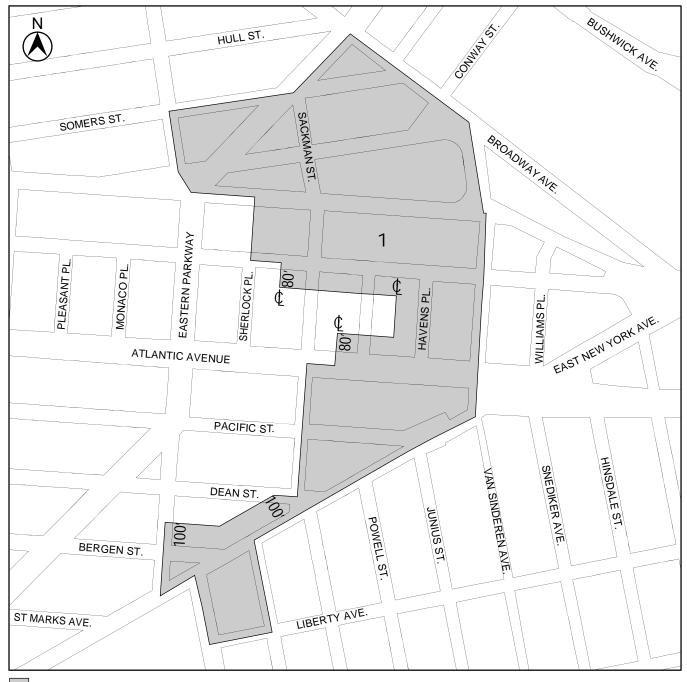
Not included in IHDA nor MIHA

Brooklyn

Brooklyn Community District 16

In the R6A, R6B, R7A and R7D Districts within the areas shown on the following Map 1:

Map 1 - (date of adoption)



Mandatory Inclusionary Housing Area (MIHA)

1 MIH Program Option 1 [Section 23-954(b)(1)]