

City of New York PRO Housing Application

Exhibit A: Executive Summary

INTRODUCTION

The City of New York cannot solve its affordability and homelessness crisis without changing the trajectory of housing growth in New York City. In recent decades, New York City has experienced rapid population and employment growth. More recently, housing demand has spiked as people seek more space in the aftermath of the pandemic. Rental housing is under particular pressure as high mortgage rates prevent people from accessing or even attempting to access homeownership opportunities. Housing production has not kept pace. This compounding housing shortage has led to significant increases in costs and placed enormous barriers to individuals and families seeking attainable housing, with particular pressure felt by low- and moderate-income New Yorkers. To reverse this crisis and meet the housing needs of all residents, the pace of housing production must be increased today and into the future.

Today, the share of renters in New York City who pay more than 30 percent of their household's gross income on rent (and are thus "rent-burdened") remains high, and is particularly high among the lowest-income New Yorkers. According to the most recent data, 54 percent of renter households earning less than \$70,000 (median income among renter households) in New York City are rent burdened. The median New York City renter paid 30 percent of their income toward housing costs—that is, half of renters had a higher burden and half had less.

The current Mayoral administration is committed to advancing sweeping changes to address regulatory barriers to affordable housing production through its *City of Yes for Housing Opportunity*, *Housing Our Neighbors* Blueprint, *BLAST* initiatives, and Executive Order 43. *City of Yes for Housing Opportunity* is a proposal to comprehensively amend citywide zoning to remove barriers and spur the development of a little more housing in every neighborhood, particularly in neighborhoods with exclusionary zoning where little new rental or affordable housing has been developed in decades. *Housing Our Neighbors* is a comprehensive plan to tackle New York City's affordable housing crisis and get New Yorkers in the safe, high-quality, affordable homes they deserve. The Building and Land Use Approval Streamlining Taskforce, or *BLAST*, was a Mayoral taskforce that identified over 100 ways the City can streamline development and businesses processes and modernize the relationship between the responsibilities of government and the needs of the public. The resulting [Get Stuff Built report](#) categorized improvements into three processes: the building permitting process, land use application review process, and City Environmental Quality Review (CEQR). [Executive Order 43](#) requires City agencies to review their City-owned and -controlled land for potential housing development sites.

This PRO Housing grant application seeks \$4.8 million in funding for several initiatives that would leverage the zoning changes in *City of Yes* and the process streamlining recommended by *BLAST* to remove significant barriers to affordable housing production citywide and advance the goal to facilitate equitable housing development in the City as identified in *Where We Live NYC*, the City's five-year fair housing plan. HUD funding will be critical for implementation and would ensure realization of several priority initiatives that address key barriers to affordable housing.

Proposal 1: Accessory Dwelling Units (ADUs) Study

This proposal would address prohibitive building codes that stymie incremental housing development, particularly in low-density districts. Currently, tens of thousands of New Yorkers live in basement or cellar apartments; many of them living in unsafe, unregulated conditions due

to the costliness and regulatory complexities required to bring these spaces into compliance with the City's and State's housing, building, fire, and other codes. *City of Yes* will take the important first step of legalizing ADUs in zoning in many locations in the city. However, additional regulatory reforms are necessary to implement wide-scale ADU construction and legalization efforts. Gathering a comprehensive understanding of these issues is a vital next step to improving the process of ADU creation for residents. If awarded funding, the Department of Housing Preservation and Development (HPD) will conduct a comprehensive ADU Study over a 24-month period. This project will build upon the *City of Yes* ADU zoning proposal and unlock ADU construction potential in 1- to 4-unit homes throughout New York City, which are found in lower-density districts that have seen little to no housing growth in decades.

Proposal 2: Advanced Capital Planning Tool

An Advanced Capital Planning Tool would allow the City's capital agencies to more quickly address inadequate or deteriorating infrastructure conditions that limit housing growth by addressing inefficient procedures for updating and implementing capital investment. While City agencies currently conduct inter-agency planning, the disparate efforts in data gathering, needs assessment, and targeted intervention can impede any one agency's ability to understand and address the full scope of the challenges they confront. The Tool would focus existing and enhanced capital planning efforts across agencies into a unified planning and decision-making tool critical to keep up with the needs, maintenance, and production of infrastructure supporting all citywide efforts to increase housing supply. In this vein, the tool will most directly help the City address its urgent need for housing creation by reducing the volume of projects that are insufficiently scoped or funded, enhancing data quality and transparency to prioritize needs across portfolios, and equipping the City to better address urgent challenges related to aging infrastructure, climate change, and housing creation.

The City does not currently have a centralized and comprehensive data package on public facilities, their needs, and the planned work on them. Similarly, our best housing and population projections are not centralized and institutionalized across all agency planning efforts. A reliable source of truth for state of good repair, documented and projected capital needs, and budgeted improvements for City facilities and infrastructure is vital to planning for strategic capital investments and continued growth. The proposed tool would implement new data sources and technology to enable the Department of City Planning (DCP) to build upon its existing tools to assist agencies fill gaps in current data, leading to increased understanding how to plan and prioritize their projects for future need based on growth metrics and where housing projects are being planned or permitted.

The tool would leverage existing systems for managing capital data and state of good repair data to bring information into a central repository where it could be compared and weighed, resulting in a more transparent process with better data to review capital needs and make decisions. With this information, City agencies and partners could better understand and prioritize investment, respond more directly and strategically to need, properly scale new neighborhood planning initiatives, and plan for resilient infrastructure to support housing growth.

Proposal 3: Incremental Development Cost Study

This study would seek to further bolster local attempts to reduce housing costs by conducting a comprehensive, comparative look at cost drivers to deliver multifamily housing across the city and in the broader NY regional housing market. The study would leverage existing data and

relationships to develop pro-forma level information about the relative costs of hard and soft inputs, from construction means and methods, land costs, site conditions, infrastructure hurdles, financial conditions, and regulatory conditions influencing project delivery.

The report would seek to categorize drivers and impact, highlighting actionable recommendations for reducing cost through government and private actions, legislative or regulatory changes, and other best practices that service the overall goal of reducing project delivery costs. Utilizing regional relationships, this housing project would uniquely seek to include comparables from multiple local jurisdictions across the downstate market, providing highly valuable baseline information for the city and the broader region seeking to improve housing production, while providing the opportunity to isolate the effects of localized impediments in a shared housing market. A comparison of the drivers of housing construction costs in the region could provide a better understanding of the role regulation may play in affecting the costs of housing construction.

Proposal 4: Urban Design Tool Enhancements

The complex and technical nature of zoning often creates a disconnect with community stakeholders who are wary of change, often feeding distrust of any process or proposal aimed at adjusting the City's Zoning Resolution to enable more housing development. This proposal would address the City's capacity to conduct meaningful community engagement around complex and highly technical zoning concepts and regulations that make up the Zoning Resolution. DCP Planners develop a nuanced understanding of the Zoning Resolution over many years, and while it is an important resource for developers, property owners, residents, and community boards, it is challenging for many to understand. The Urban Design Tool (UDTool) will allow DCP to quickly generate visuals and modeling that communities can more readily understand. DCP has developed internally a beta version tool that models zoning envelopes and generates development scenarios, enabling the agency to cut its overall modeling and data output time by up to 90 percent. If awarded funds, DCP would enhance and upgrade the UDTool to increase its applicability and automate the new rules enacted under *City of Yes*.

CAPACITY

Housing

The City of New York has a strong record of implementing pro-housing policy changes developed and advanced through meaningful public engagement in complex regulatory and political environments. DCP has implemented dozens of successful neighborhood rezonings and housing plans since the early 2000s, facilitating the construction of tens of thousands affordable and market rate housing units. In the previous Mayoral administration, the agency also successfully implemented Mandatory Inclusionary Housing and Zoning for Quality and Affordability, citywide zoning text amendments to vastly increase the production of affordable housing.

Capital Planning

DCP's Capital Planning division is specifically dedicated to fostering more collaborative and equitable capital planning through strategic coordination with agency partners and stakeholders, comprehensive data analysis, and evolving uses of technology. The Capital Planning staff has extensive experience coordinating with agencies in support of citywide planning initiatives and management of the City's [Ten-Year Capital Strategy](#) and [Citywide Statement of Needs](#). Additionally, the division manages DCP's Capital Planning Explorer, an existing data tool that

leverages DCP databases to provide a geospatial resource for capital projects, city facilities, housing permits and more.

Engagement

Both DCP and HPD have existing staff experienced in implementing these types of proposals, as well as planners skilled in robust and earnest community and stakeholder engagement. DCP's Community Planning and Engagement division was launched in January of 2023 to enhance the agency's engagement capacity, in part by identifying opportunities for new tools and technology to fill gaps in our ability to reach a variety of audiences on highly technical regulatory and zoning concepts. In 2014, HPD established the Office of Neighborhood Strategies and the *Neighborhood Planning Playbook*: a framework to partner with communities, owners, and other agencies to plan for the preservation and development of affordable housing in a manner that fosters more equitable, diverse, and livable neighborhoods. Finally, the Adams administration is firmly committed to the implementation of *City of Yes*, the *Housing Our Neighbors* Blueprint, and *BLAST*, initiatives that will provide considerable resources to the oversight, implementation, staffing capacity, and effectiveness of the proposals described in this application.

Since 2015, as documented in NYC's Strategic Plan *OneNYC*, the City has taken a proactive view of its role as the center city to the larger metropolitan region, and the special importance of leading on planning and equity issues that collectively affect the conjoined populations. NYC went farther in *Where We Live 2025*, the City's update to its fair housing plan, to explicitly call out in Goal 2, the role housing production in the suburbs has on the City's own ability to meet affordability goals. Since 2017, the City has incubated a network of tristate planning, housing, and economic development leaders representing 30+ jurisdictions in the downstate area, who meet biannually to share information and best practices on regional issues such as housing growth and impediments. Indeed, it is this group that catalyzed the call for the joint regional nature of the Incremental Development Cost Study, and with whom the City would expect to partner.

Technical

The City of New York has a strong track record of creating innovative technological tools to address the complex needs of its citizens, manage municipal assets, and enhance operational efficiency. Over the years, the City has developed key systems such as the 311 Service platform, Access NYC, NYC Business Portal, Zoning Application Portal, Zoning and Land Use Application, etc., all of which streamline public services and improve citizen access to critical information.

The City has also built a comprehensive technological infrastructure to support efficient interagency operations. Systems like NYC Open Data enhance transparency and provide valuable insights for both City officials and the public. This integrated infrastructure ensures seamless communication between departments, improving operational efficiency and effectiveness.

In addition, the City of New York consistently leverages cutting-edge technologies such as predictive analytics, mobile apps, and cloud-based systems to drive efficiency, strengthen interagency collaboration, and streamline decision-making processes. This strategic approach to creating, building, and leveraging technology has cemented New York City's role as a leader in civic technology, capable of addressing complex urban challenges through a robust and continuously evolving technological infrastructure.

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Exhibit B: Threshold Requirements and Other Submission Requirements

The PRO Housing Notice of Funding Opportunity (NOFO) included several threshold requirements that applicants must meet. The City has addressed each requirement below.

Resolution of Civil Rights Matters

The NYC Office of Management and Budget (OMB) as CDBG grant administrator confirms, to the best of our knowledge, that the City does not have any unresolved civil rights matters, as such term is defined in the NOFO. In an abundance of caution, the City will provide HUD with a letter detailing matters in which the U.S. Department of Justice submitted a Statement of Interest, but the City believes they do not fall within the definition of an “unresolved civil rights matter.”

Timely Submission of Applications

This application will be submitted to HUD by the October 15, 2024 deadline.

Eligible Applicant and Number of Applications

The City of New York is a city government and thus qualifies as an eligible applicant. The City is submitting one application for PRO Housing funding.

Other Submission Requirements

- The submitted application will include the following attachments, as applicable:
 - Standard Form 424 (SF-424) Application for Federal Assistance
 - Assurances (HUD 424-B)
 - Applicant Disclosure Report Form 2880 (HUD 2880)
 - Code of Conduct
 - Detailed Budget Worksheet (424 CBW)
 - Certification Regarding Lobbying
 - Disclosure of Lobbying Activities (SF-LLL)
 - Certification of Consistency with the Consolidated Plan
- **Affirmatively Furthering Fair Housing:** The City has described how the proposed activities are consistent with its fair housing goals and strategies in Exhibit D.
- **Limited English Proficiency:** The City has taken several affirmative steps to ensure LEP populations have access to information regarding this application. These steps include:
 - Posting public notices on the City’s website in Spanish, Chinese, Russian, Bengali, Haitian, Korean, Arabic, Urdu, French, and Polish.
 - Making translation and interpretation services available upon request.
 - Posting application materials on the City’s website, which allows users to translate materials into over 100 different languages.
- **Physical Accessibility:** All in-person public meetings related to this application and its proposals will be in facilities that are physically accessible to persons with disabilities. Additionally, all notices, training sessions, and public meetings will be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities, or the City will provide for accommodations for persons with disabilities.
- **Environmental Review:** OMB is the Responsible Entity (RE) for the City’s CDBG-related grants. If awarded, OMB would serve as the RE for this grant as well and undertake all environmental review responsibilities in accordance with 24 CFR Part 58.
- **Federal Assistance Assurances:** OMB has completed its registration in the System for Award Management, including the Federal Assistance Representations and Certifications section.

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Exhibit C: Need

PROGRESS AND COMMITMENT

New York City has successfully taken actions in recent administrations to remove local barriers to increasing affordable housing production and preservation. In 2022, the Adams Administration released [Housing Our Neighbors: A Blueprint for Housing and Homelessness](#), a plan to tackle the City's affordable housing crisis and get New Yorkers safe, high-quality, and affordable homes. The plan outlines policies and strategies in five key areas, including creating and preserving affordable housing. Following is a non-exhaustive list of actions (e.g., major zoning and land use decisions and citywide initiatives) taken during the current and prior Mayoral administrations to support the development of all housing, and especially affordable housing.

Mandatory Inclusionary Housing

As a key initiative of former Mayor Bill de Blasio's housing plan, [Housing New York](#), the Department of City Planning (DCP) launched a Mandatory Inclusionary Housing (MIH) program that requires through zoning actions a share of new housing to be permanently affordable. The program was created with the intention of increasing housing opportunity in a range of neighborhoods by mandating affordable housing where land use actions promote new housing development. Requirements for units to be permanently affordable ensure these affordable units remain a resource for the community into the future, even as neighborhood economic conditions may change. More than 35,000 units of permanently affordable housing have been developed pursuant to MIH since its adoption by the NYC Council in 2016.

Zoning for Quality and Affordability

A key issue identified in *Housing New York* was the need to modernize obscure and outdated zoning rules that have not kept pace with best practices for residential design and construction. These rules impede the production of new affordable housing and contribute to the years-long waitlists faced by some 200,000 seniors in need of affordable apartments. [Zoning for Quality and Affordability](#) sought to increase affordability and promote housing quality by addressing several ways in which these regulations, drafted a generation ago, have in practice discouraged the affordability and quality of recent buildings. The zoning changes, adopted by the City Council in 2016, made it easier to provide a range of affordable senior housing and care facilities; enabled Inclusionary Housing buildings to construct quality buildings that fit the full amount of housing they are allowed under zoning today; reduced unnecessarily high costs of building transit-accessible affordable housing; and encouraged better designed buildings to enhance the pedestrian experience and neighborhood context.

PLACES Neighborhood Studies

As part of *Housing New York*, DCP implemented a series of neighborhood planning studies to foster diverse, livable neighborhoods with mixed-income housing and supporting services. PLACES was a people-centered planning approach in which DCP and other agencies worked collaboratively with communities, stakeholders, and elected officials to actively shape their neighborhoods. Plans in Jerome Avenue in the Bronx; Gowanus and East New York in Brooklyn; Bay Street in Staten Island; and East Harlem and SoHo/NoHo in Manhattan resulted in area-wide zoning changes to increase both market rate and affordable housing supply that have already completed public review. The zoning changes have resulted in roughly 10,000 permanently affordable housing units already.

Where We Live NYC

Where We Live NYC is a City-led collaborative planning process to better understand how challenges like segregation and discrimination impact New Yorker's everyday lives. Through this process, the City laid out the next chapter of fair housing policies that fight discrimination, breakdown barriers to opportunity, and build more just and inclusive neighborhoods. The team behind the report engaged hundreds of residents, over 150 community-based and advocacy organizations, and dozens of governmental agencies to discuss NYC history; assess how it is affecting residents, housing, and neighborhoods today; and create a plan to address persistent disparities. The plan is separated into six key goals that guide the City's work in advancing fair housing through 2025. The City recently launched an effort to update the plan through 2030.

Neighborhood Planning Playbook

Community buy-in and direction is central to the Department of Housing Preservation and Development's (HPD) approach for developing solutions for the future of the City's neighborhoods. To facilitate processes, HPD developed a *Neighborhood Planning Playbook* that provides a set of tools for City agencies to partner more effectively in neighborhood planning studies. The Playbook lays out a transparent, predictable, and clear process for how communities and agencies can work together to address the complex set of issues and tradeoffs that neighborhood planning involves, including land use, housing, jobs and businesses, and community resources. The Playbook has been an effective guide to successful neighborhood planning in NYC.

Housing Our Neighbors: A Blueprint for Housing and Homelessness

As mentioned previously, the Adams Administration issued a comprehensive blueprint to tackle the City's affordable housing crisis and get New Yorkers in the safe, high-quality, affordable homes they deserve. The [Housing Blueprint](#) ties together the work of HPD, the Housing Development Corporation, the New York City Housing Authority, the Department of Social Services, and other agencies to break down silos and address housing issues in a more holistic way. *Housing Our Neighbors* incorporates feedback and ideas gathered from the citywide survey NYC Speaks, homeless and formerly homeless New Yorkers, industry partners, advocates, and the many agencies that address inequity in accessing housing opportunities and break down barriers to getting people housed.

City of Yes for Housing Opportunity

In September 2023, the Adams Administration launched the most significant pro-housing reforms ever to the City's zoning code with [City of Yes for Housing Opportunity](#), a plan to create a little more housing in every neighborhood. *City of Yes* focuses on tailored policies to support more housing from the highest-density to lowest-density areas. Taken together, these small changes will have a big impact on New Yorkers' housing needs. This initiative advances key recommendations for fair housing and equity identified in the *Where We Live NYC* Plan and proposes the following zoning changes, which DCP shared publicly during hundreds of meetings with stakeholders, public officials, and community boards throughout 2024:

- A Universal Affordability Preference that would allow buildings in many high opportunity areas to add 20 percent more housing, but only if the additional units are affordable.
- Changes to conversion rules that will make it easier for vacant offices and other commercial buildings to become homes.

- Town Center Zoning, which will allow modest apartment buildings with stores on the street level and apartments above them in many neighborhoods where regulations preclude the creation of new mixed-use corridors.
- Ending parking mandates for new housing, as many cities across the country have successfully done.
- Allowing accessory dwelling units in lower density neighborhoods where exclusionary zoning has limited new housing and access to opportunity.
- Legalizing modest apartment buildings where they fit best: on large lots near public transit, on wide streets or corner lots.
- Making it easier for housing campuses to add new buildings if they wish to.

City of Yes for Housing Opportunity will be voted on by the NYC Planning Commission in late September 2024 before advancing to the NYC City Council later this year for the final vote.

BLAST

The Building and Land Use Approval Streamlining Taskforce, or *BLAST*, is a Mayoral taskforce that identified over 100 ways the City can streamline development and businesses processes and modernize the relationship between the responsibilities of government and the needs of the public. The resulting *Get Stuff Built* report categorized improvements into three processes: the building permitting process, land use application review process, and City Environmental Quality Review (CEQR). These processes result in months- or years-long delays in the production of much-needed new housing and improvements to existing housing. Improvements identified in the report will cut the cost of land use approvals in projects subject to CEQR and the Uniform Land Use Review Procedure (ULURP) in half—resulting in over \$2 billion per year in savings—and are estimated to unlock at least another ~50,000 units of additional housing production over the next 10 years.¹

Since the report’s release in December 2022, agencies have made substantial progress in developing and completing initiatives. Select examples now in effect include:

- Procedural adoption and implementation of [Green Fast Track for Housing](#), a process designed to streamline and reduce environmental review complexity and time for small- and medium-sized housing projects by up to two years.
- Development of [Fast Tracker](#), a digital tool designed to assist applicants and agencies in the rapid production and review of information to determine eligibility for Green Fast Track for Housing.
- Reforming DCP’s pre-certification process to facilitate faster agency coordination and responsiveness by limiting required meetings and draft land use application revisions, ensuring applicants may proceed into public review faster.
- Enhancement of the [NYC Street Map](#) to include Alteration and Section Maps, providing significantly improved access to City Map information for the public and DCP’s applicants.

¹ These estimates are based on City data of number of projects; the Citizens Budget Commission’s estimates of project costs, including CEQR/ULURP soft costs, and financing costs; and recent per unit mid-rise housing production costs.

Executive Order 43

On August 21, 2024, Mayor Adams issued [Executive Order 43](#) requiring City agencies to review their City-owned and -controlled land for potential housing development sites. As the City faces a generational affordable housing crisis with just a [1.4 percent rental vacancy rate](#), New York City seeks to use every possible tool to deliver the affordable housing that New Yorkers need. The order will help support the administration’s “moonshot” goal of building 500,000 new homes by 2032.

REMAINING AFFORDABLE HOUSING NEEDS

NYC as a whole and each of its five counties (representing each of the city’s five boroughs) individually qualify as a HUD Housing Priority Geography based on at least one of the measures identified in the NOFO. Additional information about New York City’s affordable housing needs is provided below, including local knowledge that is not already captured by the above measures.

New York City’s housing stock has not kept up with the rapid population growth, job growth, and new household formation the city has experienced in recent decades. Even as the population surged throughout the 1980s and 1990s, housing was built at a much slower pace than was necessary to meet the demand. These trends have created a cumulative housing shortage from which the city has yet to recover. Although housing construction picked up in the 2000s, much less housing is being built today than during the first three-quarters of the 20th century, adding too few units to keep up with job and population increases. New York City produces significantly fewer new units per capita than many other major cities across the country. This worsening shortage is the leading driver of increased housing costs as a burgeoning population competes for limited housing stock.

The lowest-income households are the most severely affected. According to the 2023 New York City Housing and Vacancy survey, vacancy rates among units renting for less than \$1,650 were less than 1 percent. Because of the shortage of low-cost housing, many New York City households are experiencing high rates of rent burden. As noted above, 32 percent of renter households are severely burdened and pay more than 50 percent of their income toward housing costs. This high level of rent burden, especially for households with lower incomes overall, means residents have less money to spend on food, childcare, education, healthcare, and other necessary expenses.

The lack of housing also raises the cost of owner-occupied housing, depriving homeownership to a broad segment of the city’s population. Indeed, despite its wealth, New York City has one of the lowest homeownership rates of any city nationwide. This narrows housing choice for New Yorkers and excludes too many from the control and wealth-building opportunities that homeownership affords. More housing can benefit renters, homeowners, and potential homeowners alike.

KEY BARRIERS TO PRODUCING AND PRESERVING MORE AFFORDABLE HOUSING

While the proposals within this application are each designed to overcome several key barriers to the production of affordable housing, the City has identified the top barriers that would be addressed by items in this proposal:

- Prohibitive building codes;
- Inefficient procedures;
- Deteriorating or inadequate infrastructure;

- Permitting procedures and approval timing and predictability;
- Housing cost-drivers that are unique to New York City and the region; and
- Capacity to conduct meaningful community engagement.

The specific components of this application and ways they seek to alleviate the identified barriers are described below.

Prohibitive Building Codes

Accessory Dwelling Units (ADUs)

ADUs can play an important role in increasing housing supply, particularly in low-density communities, and represent an important tool in combatting the city’s housing crisis. However, there are requirements at both the state and local level that make conversions challenging. Easing those requirements would create opportunities for new and safer ADUs. Currently, tens of thousands of New Yorkers live in basement or cellar apartments; many of them living in unsafe, unregulated conditions due to the costliness and regulatory complexities required to bring these spaces into compliance with the City’s and State’s housing, building, fire, and other codes. In 2021, when Hurricane Ida devastated the area, residents died in basement apartments, highlighting the dangers of illegal basement and cellar units where mostly low-income immigrants of color face an array of risks from flooding to fires and carbon monoxide poisoning.

In addition to the safety crisis of illegal basements and cellars, New York City’s overall rental and homeownership crises have been exacerbated by the COVID-19 pandemic and spiraling national and local inflation. With the ever-decreasing availability of land for building and the ever-increasing costs to construct new housing units, it is more important than ever for the City and State to invest in creative and cost-effective new construction to increase the City’s affordable housing supply. *City of Yes* will take the important first step of legalizing ADUs in zoning in many locations in the city. Additional regulatory reforms are necessary to implement wide-scale ADU construction efforts in New York City. Gathering a comprehensive understanding of these issues is a vital next step to improving the process of ADU creation for residents.

Inefficient Procedures and Deteriorating or Inadequate Infrastructure

Advanced Capital Planning Tool

A major constraint on development in New York City is capacity of public infrastructure to accommodate additional demand. In everything from schools and roads to sewers and waste transfer, communities feel the strain of housing growth. With incremental growth across neighborhoods and place-based neighborhood growth, it’s more important than ever that we have accurate information about known pipeline projects and can integrate that with projected growth and demands on our public infrastructure.

The City does not have centralized, comprehensive, accurate, and accessible information on City-owned properties. This lack of a unified approach to data has resulted in an abundance of data inputs that lack consistency in quality and are not responsive to one another. With a comprehensive system to record, review, and consolidate conditions assessment materials, including current and anticipated needs, the City would better support land use and portfolio planning that is responsive to needs and priorities; capital planning that enables agencies to scope more-complete individual

projects and prioritize across asset portfolios; climate and resiliency planning that incorporates existing life cycle information and tracks the pipeline of capital projects; and emergency response planning that enables our responders to access current, accurate data about facilities.

Developing a tool of this scale is paramount to managing a government as large as New York City's, and one facing a housing crisis as expansive and pervasive as ours. This tool would be integral to inter-agency data sharing, as well as enhanced compatibility of data across agencies, which is critical for responsible, long-term planning for more density. This unified approach, with its commitment to data-driven planning that responds to tangible community needs, also enables a smoother public review process, allowing us to build smarter and to get more housing built in areas where there is capacity today – or to allocate appropriate resources to areas where deteriorating or inadequate infrastructure is in need of restoration and repair.

Permitting Procedures and Approval Timing and Predictability; Prohibitive Building Codes; and Housing Cost-Drivers that are Unique to New York City and the Region

Incremental Development Cost Study

New York City and the broader NYC Metropolitan region lags behind many other parts of the country in overall housing production, in large part due to the cumulative barriers that add cost to the delivery of new housing supply. Since 2017, NYC has convened a Metro leadership network of regional jurisdictions that routinely engage and share best practices to address common planning problems, including the challenges in addressing housing supply and affordability. This group seeks better information on costs in our housing market for delivering housing, across jurisdictions. Such work would be informative for local policy makers in prioritizing and justifying local pro-housing policy efforts, and the comparative nature of such a report would be particularly helpful in identifying where local issues are uniquely driving up cost.

Capacity to Conduct Meaningful Community Engagement

Urban Design Tool (UDTool)

The ability to quickly conceptualize, envision, and evaluate existing and proposed zoning regulations stands at the core of DCP's work. As described earlier, DCP has developed internally a beta version of the UDTool, which uses computational language to automatically model current zoning envelopes and generate development scenarios based on underlying and proposed zoning. In developing a simple envelope builder, the agency laid the groundwork for a robust educational and analytical tool to help New Yorkers understand their zoning, visualize permitted envelopes, and explore potential development impacts quickly. An expanded version of this tool would facilitate improved planning efforts associated with the massive zoning text changes being advanced through the City's historic pro-housing *City of Yes* initiatives.

The agency needs to solidify capacity to perform maintenance and enhance access, and the ability to expand capacity and features to support a broader range of use cases. By streamlining some of the City's iterative processes in the design phase, this tool will help move projects more quickly through the application process, ultimately saving time and money in the development process.

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Exhibit D: Soundness of Approach

VISION

As described in *Exhibit C – Need*, New York City has a well-documented housing crisis, and is committed to enabling increased production and preservation of affordable housing across a broad geographic area over a sustained timeframe. The proposals outlined in this application are intended to relieve the acute demand for housing and would directly address the following barriers as described in *Exhibit C – Need*:

- Prohibitive building codes;
- Inefficient procedures;
- Deteriorating or inadequate infrastructure;
- Permitting procedures and approval timing and predictability;
- Housing cost-drivers that are unique to New York City and the region; and
- Capacity to conduct meaningful community engagement.

Each of the proposals in this application qualify as a CDBG-eligible **planning or policy activity to facilitate affordable housing production and preservation**. Pursuant to page 62 of the PRO Housing NOFO, “there is no limit on the amount of PRO Housing funds non-state grantees may use for planning activities.” Pursuant to the CDBG regulations at [24 CFR § 570.208\(d\)\(4\)](#), grantees are not required to demonstrate proposed planning activities will meet a CDBG national objective. However, the City notes that HUD’s Low- and Moderate-Income Summary Data, most recently updated with 2016-2020 American Community Survey data, continues to demonstrate the City of New York as a whole qualifies as a Low- and Moderate-Income Area, with 56.83 percent of residents being low- and moderate-income persons.

The following proposals have completion timelines ranging from two to five years. Of course, the positive impacts of each component will be felt for decades beyond the removal of the specific barrier cited above, as the unlocking of housing opportunities through the streamlining of permitting procedures, creation of tools, establishment of new land use frameworks, and removal of prohibitive building codes will result in additional development well beyond the duration of funding as part of this award.

The City’s short-term vision (6- to 15-year time horizon) for the proposals are described below.

Accessory Dwelling Unit (ADU) Study

If awarded funding, HPD proposes to conduct a comprehensive ADU study over a 24-month period. This project will build upon the *City of Yes* ADU zoning proposal, unlock ADU construction potential in 1-4-unit homes throughout New York City, and produce the following:

- **Building Code Review and Recommendations:** The study will identify administrative, code, and regulatory barriers preventing a streamlined process to construct ADUs and develop recommendations to address these barriers through regulatory and code changes.
- **Homeowner Assistance for 1-4 Units:** The study will also develop recommendations to streamline the ADU permitting process and develop a comprehensive guide so owners of 1-4 family homes have access to information necessary to facilitate ADU construction and ensure tenant safety and rights.

Advanced Capital Planning Tool

The ability to understand the state of good repair, documented capital needs, budgeted improvements, and projected needs for public facilities is fundamental to multiple streams of decision-making across the City's capital agencies, planning agencies, and the bodies that make budget decisions. However, the sources of this information exist in many different products and formats and are not easily accessible or transparent, making capital programming, budgeting, and coordination across agencies needlessly complex. As a result of this disjointed approach, some projects may be insufficiently scoped or funded, or sponsors may lack the information to prioritize needs across their portfolios, leaving the City ill-equipped to address urgent challenges or plan for strategic change like that of more widespread housing growth or climate change.

Standardizing a more transparent process with better data to review capital needs and facilitate capital planning and decision-making would involve bringing multiple data packages into one. This would include conditions assessments for public buildings, City Open Data on zoning and land use and environmental conditions, DCP data on housing development and population, and known capital projects and funded projects. DCP together with other City agencies such as the Department of Design and Construction (DDC), Department of Citywide Administrative Services (DCAS), the NYC Economic Development Corporation (NYCEDC), and NYC Emergency Management (NYCEM) would develop this centralized database of City-owned properties with site information by aggregating data we already have, standardizing, and expanding upon it. The goal is to create a searchable data portal that enables smarter long-term capital planning. DCP would manage the building and maintenance of this portal with inputs from partner agencies.

In addition to aggregating and standardizing existing data, another goal is to enhance the data the City collects by expanding the information surveyed on site, including assets and characteristics currently not accounted for, and linking this new information to the portal. DDC, along with DCAS and OMB, would update their internal databases to support the portal and expand their site surveying capabilities.

Resources are required to develop this tool and staff two teams: one for portal creation and the other for surveying expansion. Each team would ideally have six staff each for two years.

Incremental Development Cost Study

One well documented reason affecting affordability in New York City and its surrounding housing market is the high cost associated with delivering homes. Yet despite being consistently listed as among the highest cost areas in the nation for building housing, little quality information exists to connect systemic cost effects (like the cost of lumber generally) to the incremental costs of delivering units to market.

This study would seek to fill that gap by conducting a comprehensive, comparative look at cost drivers to deliver multifamily product in the NY region housing market. Developing a typology of sample project types in areas across the market, the study would develop pro-forma level information about the relative costs of hard and soft inputs, from construction means and methods, land costs, site conditions, infrastructure hurdles, labor costs, financial conditions, and regulatory conditions influencing project delivery.

The project would utilize available government information on project costs, supplemented with survey information from practitioners, and would seek to partner with credible academic partners and housing experts. The report would seek to categorize drivers and impact, highlighting actionable recommendations for reducing cost through government and private action recommendations, legislative or regulatory changes, and other best practices that service the overall goal of reducing project delivery costs.

Utilizing regional relationships, this project would uniquely seek to include comparables from multiple jurisdictions across the downstate market, providing highly valuable baseline information to multiple local governments seeking to improve housing production, while providing the opportunity to isolate the effects of localized impediments in a shared housing market.

UDTool

The ability to quickly conceptualize, envision, and evaluate existing and proposed zoning regulations stands at the core of DCP's work. Agency planners develop a nuanced understanding of the Zoning Resolution over many years, and while it is an important resource for developers, property owners, residents, and community boards, it is challenging for many to understand.

DCP has developed internally a beta version tool (UDTool) that uses computational language to automatically model current zoning envelopes and generate development scenarios based on underlying and proposed zoning. These tools have quickly enabled the Department to cut its overall modeling and data output time by up to 90 percent, allowing the City to model rezoning scenarios for various neighborhood studies simultaneously.

Maintenance and further development of the UDTool via full-time staff and/or a consultant dedicated to this resource is pertinent. DCP can leverage investment from this grant opportunity to aid in planning efforts that would address urgent citywide need to create more housing. *City of Yes* will have significant changes to underlying zoning regulations. The UDTool must be updated to automate the new rules and continue to streamline agency processes to increase housing development. Doing so will reduce staff time in modeling and analysis, move housing applications faster, and free staff to work on other pro-housing work, such as land use applications that facilitate mixed-income and affordable housing.

ADDRESSING KEY BARRIERS

The proposed activities do not merely address the needs identified in *Exhibit C – Need*. Rather, they are designed to harness opportunities that remain after the City implemented several major initiatives in recent years to accelerate the production and preservation of affordable housing, and use strategies that fill gaps earlier efforts could not address. These strategies include creating new tools made possible by more recent advances in data and technology and alleviating prohibitive building codes that have limited expansion of programs such as ADUs, even where permitted through zoning. The following paragraphs briefly explain how the four major proposals articulated in this application will address key barriers to affordable housing production and preservation:

- Prohibitive building codes;
- Inefficient procedures;
- Deteriorating or inadequate infrastructure;

- Permitting procedures and approval timing and predictability;
- Housing cost-drivers that are unique to New York City and the region; and
- Capacity to conduct meaningful community engagement.

Prohibitive building codes

ADU Study

To enable ADU legalization and construction, a thorough review of the NYC Building Code is vital. The Citizens Housing & Planning Council’s (CHPC) Basement Apartment Conversion Pilot Program (BACPP) Interim Report reveals key findings:

- The State’s Multiple Dwelling Law and City’s Zoning Resolution significantly impede legal basement and cellar apartment renovations.
- 36 percent of properties were infeasible to legalize due to parking requirements, and 40 percent exceeded allowable floor area during assessments.
- Existing local codes hinder safety retrofits like egress window additions.

This study will build on lessons learned from the BACPP to identify and address local code barriers while ensuring safety and habitability, expanding housing options citywide. It will explore various ADU types, including garage, attic, and detached structures.

Zoning barriers are already being addressed, but local codes and homeowner education are vital for scaling ADU construction. A homeowner guide offering technical guidance can empower homeowners to create ADUs, diversifying housing production in the city.

Enabling additional ADU development through code revisions creates a pathway to creating more housing within existing development. ADUs, either through new construction or through basement legalization programs, can increase supply, further fair housing objectives, and help low- and moderate-income households (both the owners and the renters) who may otherwise be at risk of housing instability and displacement.

Inefficient procedures; and deteriorating or inadequate infrastructure

Advanced Capital Planning Tool

The Advanced Capital Planning Tool will help the City address its urgent need for housing creation by reducing the volume of projects that are insufficiently scoped or funded, enhancing data quality and transparency to prioritize needs across portfolios, and equipping the City to better address urgent challenges related to aging infrastructure, climate change, and housing creation. The City’s current, disaggregated approach creates unnecessary administrative delays as staff work to overcome structural inefficiencies to collect and leverage the most recent, relevant data they can locate. Alternatively, a transparent and unified approach to identifying capital needs and priority areas for investment will reduce procedural barriers and help the City more efficiently create the infrastructure needed to support housing production and improve quality of services to residents. This effort is complementary to DCP’s efforts to create fair housing opportunity through the *City of Yes* and reduce regulatory barriers through *Get Stuff Built* initiatives such as Green Fast Track, and represents another piece of the puzzle to comprehensive planning.

One of the expected outcomes of the tool is to improve the capital agencies' ability to identify more efficient siting or co-location opportunities, resulting in more efficient use of land. We expect this to reduce potential displacement of residents that might otherwise occur under a less efficient capital development process. Moreover, improvements in the City's ability to identify and address deteriorated infrastructure enhanced by the tool could also potentially reduce any displacement that could result from unexpected infrastructure failures.

Prohibitive building codes; permitting procedures and approval timing and predictability; and housing cost-drivers that are unique to New York City and the region

Incremental Development Cost Study

A study of the drivers of housing construction costs will allow New York City and its regional partners to identify specific barriers to housing affordability that can be addressed through regulatory change and public policy. The ability to understand inputs into housing construction costs is essential to understanding where there are opportunities for savings, what costs are fixed, where City subsidy is a precondition for development, and where there may be room for the private sector to support the provision of amenities, for example. We expect a study will identify specific cost drivers, including but not limited to permitting requirements and prohibitive building codes, as well as unknown or poorly understood cost drivers that are unique to the New York City region.

The work is aligned closely with the objectives of *City of Yes for Housing Opportunity* and the *Building and Land Use Approval Streamlining Taskforce* described earlier in the application.

The study will allow the City to identify additional barriers to housing production for further reform and will provide a basis to evaluate the effectiveness of *BLAST* and *City of Yes* reforms.

Capacity to conduct meaningful community engagement

UDTool

Advancing this tool will reduce DCP staff time in modeling and analysis, move housing applications faster, and free staff to work on other pro-housing work, such as land use applications that facilitate mixed-income and affordable housing.

LESSONS LEARNED FROM SIMILAR EFFORTS

New York City has taken numerous steps towards unlocking housing opportunities, to great success. However, experiences of the past always inform future efforts, and the City has learned much from past attempts to expand and preserve affordable housing:

ADU Study

Lessons from the Basement Apartment Conversion Pilot Program (BACPP) deeply inform this proposal. BACPP is a City-funded, time-limited program administered by Cypress Hills LDC to provide financing to convert basements into legal apartments for low- to moderate-income homeowners.

Zoning and Code Challenges:

BACPP didn't address zoning barriers, leading to the exclusion of 35 percent of interested homeowners. *City of Yes* learns from BACPP and addresses zoning challenges like parking and floor area ratio. The NYS Multiple Dwelling Law (MDL) regulations pose challenges for properties going from two family homes to three family homes. MDL changes require State legislation, and the City supports current proposed legislation to amend the MDL and allow for the legalization of existing basement and cellar apartments. A comprehensive review of local building codes for various ADU types aims to overcome local code and administrative barriers.

National Best Practices:

Areas nationwide have tackled ADU barriers. California allows flexible ADU regulations, while Seattle expanded ADU areas, removed parking requirements, and offered pre-approved designs. The proposed study seeks to implement similar policies to facilitate ADU growth.

ADU Plus One Program:

The City is launching an ADU Plus One program, funded with \$2.6 million from the State, to support ADU construction in single-family owner-occupied homes where zoning permits an additional unit. Lessons from this pilot will guide ongoing ADU initiatives.

Advanced Capital Planning Tool

NYC agencies oversee complex portfolios of public buildings yet often lack the tools they need to create holistic, long-term capital plans and prepare for emergencies. As a result, projects are often insufficiently scoped or funded. At times, multiple consecutive projects are undertaken with limited coordination in a single facility. Sponsor agencies may lack the information to prioritize needs across their portfolios, and/or coordinate through the portfolios of multiple agencies. Past projects have suffered under shortcomings in such coordination, by requiring repeat work or by forcing planning agencies to reconsider housing targets and growth strategies upon realizing that facilities or infrastructure have outstanding needs.

The City is currently conducting a pilot for data sharing across two City agencies' building portfolios to identify trends and recommend approaches to planning and prioritizing capital needs. The pilot will deliver concrete recommendations to help shape the full buildout of the Advanced Capital Planning Tool and program. The City expects to distill lessons learned by the end of 2024, informing our work in 2025 and beyond.

Similarly, DCP actively manages other forms of inter-agency needs assessment which, more often than not, highlight the severity of disunity across different agencies' approaches to needs-based data and decision making. For example, DCP facilitates the citywide Community District Needs assessment and budget request process, through which the agency sources public input on capital needs at the community district and neighborhood level as an additional data input for capital planning. While only one input for needs data, DCP's coordination with other agencies regarding the integration of this data into their planning and decision making has revealed widespread inconsistency in the manner and extent that needs data influence these processes. In microcosm, this disunity underscores the broader necessity of an Advanced Capital Planning Tool capable of aggregating all assorted data on capital needs and facility status to produce a consistent and predictable process for capital investment planning.

Incremental Development Cost Study

NYU Furman Center and HPD previously partnered on a similar study of housing costs in the 1990s². Other governments and academic institutions have similarly partnered on comparable work in more recent years. For instance, 2019 work by the Turner Center for Housing Innovation³ at UC Berkeley has provided sound financial basis for many recent housing changes being implemented in the Bay Area – particularly comparable because the City would seek to emulate the approach of studying a shared housing market with comparable projects in multiple local zoning jurisdictions. In a more limited scale, recent market analyses studying the implementation of Mandatory Inclusionary Housing⁴ and *City of Yes for Housing Opportunity* zoning reforms⁵ in NYC have taken a similar financial approach to assessing impact across housing typologies and are critical elements to designing and implementing regulatory changes in NYC, but are limited to studying the impacts of particular zoning actions.

UDTool

Lessons from the UDTool’s development and deployment have highlighted the absolute need to keep up with the changing environment of planning with respect to rapidly advancing technology. The UDTool required the hiring of one senior parametric expert and coding staff with similar overlapping skills to DCP’s planners and designers. The time spent building the UDTool was drastically lower in comparison to the previous method. The previous process was very staff time-intensive and led to less-informed planning discussions early in the process. Utilizing available computer software, staff would model each site individually. While creating the models, staff would need to simultaneously ensure the models were compliant with zoning and manually keep detailed notes in a separate program concerning square footages by use, building heights, and other key aspects of the model. Depending on the complexity and number of sites being modeled and the number of staff assigned to the task, this process could take multiple weeks. As the key characteristics of the models were recorded manually the previous process was also prone to mistakes which could be very time consuming to rectify. The models themselves and the information gathered from them are the basis of a significant portion of the environmental review process. Any errors resulting from inefficiencies in the process needed to be carefully corrected to

² Furman Center for Real Estate & Urban Policy. *Reducing the Cost of New Housing Construction in New York City*. New York University School of Law and Wagner School of Public Service, 1999. furmancenter.org/files/publications/NYCHousingCost.pdf.

³ Garcia, David, Turner Center for Housing Innovation. *Making It Pencil: The Math Behind Housing Development*. University of California, Berkeley, 2019. turnercenter.berkeley.edu/wp-content/uploads/2020/08/Making_It_Pencil_The_Math_Behind_Housing_Development.pdf.

⁴ BAE Urban Economics, Inc., BJH Advisors, James Lima Planning + Development, Mark A. Levine, Esq., and Akerman LLP., prepared for the NYC Housing Development Corporation. *Market & Financial Study: NYC Mandatory Inclusionary Housing*, Sept. 2015. http://www.nyc.gov/assets/planning/download/pdf/plans-studies/mih/bae_report_092015.pdf.

⁵ New York City Department of City Planning. *City of Yes for Housing Opportunity Final Environmental Impact Statement, Appendix B Housing Market Study*, 2024. zap-api-production.herokuapp.com/document/artifact/01QY2C5KNC4POXUVKGTNAKDOX63W4G2QIV.

ensure accuracy in the environmental review. The process of checking and correcting errors frequently resulted in delays and additional expenditure on environmental consultant work.

The UDTool allows DCP to more rapidly analyze proposals for land use actions and neighborhood studies, aligning DCP's skills and abilities with many private sector abilities and allows the agency to plan more informed proposals.

EXISTING PLANNING INITIATIVES AND ALIGNMENT WITH PROPOSALS

The Adams Administration is highly supportive of housing development, and acutely aware of the needs for more affordable housing across all five boroughs. The City, including HPD and DCP, has numerous initiatives underway that align with the proposals outlined in this document and that seek to streamline permitting procedures and approval timing and predictability, minimize excessive zoning and land use controls, increase capacity to conduct meaningful community engagement, and reform areas of the building code that unnecessarily prohibit housing growth.

Housing and Land Use

A selection of City actions underway that align with items in this proposal include:

- Accounting for expected population change (e.g., [DCP works closely with the U.S. Census Bureau](#) to ensure an accurate enumeration of the city's current population and anticipated growth);
- [City of Yes for Housing Opportunity](#);
- [ADU reform](#);
- Alignment with local or regional transportation plans in NYC and the region (e.g., collaboration with the Port Authority of NY and NJ on [Penn Station Bus Terminal redesign](#); Transit Oriented Development density in [City of Yes for Housing Opportunity](#));
- Simplification and harmonization of land-use regulations across multiple municipalities or entities ([Zoning for Quality and Affordability](#); [Mandatory Inclusionary Housing](#); [City of Yes for Housing Opportunity](#) initiatives);
- [Executive Order 43](#) Prioritizing Housing Production and Accelerating the Production of Housing on City Sites.

Technical advancement

A mandate from the [2022 NYC Capital Process Reform Task Force report](#) specifically calls for a pilot to advance a capital planning database that combines building conditions from a variety of sources, in order to enable better prioritization of resources and strategic long-term planning.

Regional relationship building

As documented in 2015 version of NYC's Strategic Plan *One New York*⁶ (now *OneNYC*), NYC Government has taken a proactive view of its role as the center city to the larger metropolitan region, and the special importance of leading on planning and equity issues that collectively effect the conjoined populations. NYC went farther in *Where We Live 2025*, the City's fair housing plan, to explicitly call out in Goal 2, the role housing production in the suburbs has on the City's own ability to meet affordability goals. Since 2017, the City has incubated a leadership network of

⁶City of New York. *One New York: The Plan for a Strong and Just City*, 2015. www.nyc.gov/html/onenyc/downloads/pdf/publications/OneNYC.pdf, page 36.

tristate planning, housing, and economic development leaders representing 30+ jurisdictions in the downstate area, who meet biannually to share information and best practices on issues facing the region such as housing growth and impediments. It is this group that catalyzed the call for the joint regional nature of the Incremental Development Cost Study, and with whom the City expects to partner and source non-NYC comparables.

ENVIRONMENTAL RISKS AND COMMUNITY RESILIENCE

As articulated in the [PlaNYC: Getting Sustainability Done](#), the city faces significant environmental risks associated with climate change, and PlaNYC lays out a plan to deliver near-term benefits to New Yorkers as the City moves toward achieving ambitious long-term climate goals. In conjunction with this very broad plan, DCP is working with the Department of Buildings, New York City Fire Department, and Mayor's Office of Climate and Environmental Justice on the *City of Yes for Carbon Neutrality* proposal to clear the way for the many green investments needed in the city's buildings. In advancing this effort, the proposals included in this grant application would facilitate greener, more sustainable housing through land use changes and process reform.

New York City's well-developed public transit system and density, and its policy of concentrating new housing near transit and services, ensures that unlocking opportunities for development would allow more residents to live sustainably near transit and services, reducing the city's carbon footprint and mitigating climate change.

New York City has a long-standing waterfront policy guide, the [NYC Comprehensive Waterfront Plan](#), which aims to make the city's 520 miles of waterfront accessible, active, and resilient. The Plan is updated every ten years and provides a vision for the city's waterfront for the next decade and beyond. The City has also published numerous reports on development within the waterfront, including the New York City [Waterfront Revitalization Program](#) (WRP), which establishes the City's policies for development and use of the waterfront.

Other relevant initiatives include the following:

- [Climate resiliency studies](#) focused on land use and zoning changes as well as other actions needed to support the short-term recovery and long-term vitality of communities affected by Hurricane Sandy and other areas at risk of coastal flooding.
- [Resilient Neighborhoods](#), a detailed action plan, developed by the City following Hurricane Sandy, for storm recovery and the long-term resiliency of NYC's coastal communities, buildings, and infrastructure. As part of this initiative, DCP worked with communities in flood zones to identify strategies most suitable for their neighborhood context. This resulted in the publication of several reports with recommendations for policy and zoning changes in several New York City neighborhoods particularly endangered by flooding due to climate change, including [Gerritsen Beach](#), [Sheepshead Bay](#), and [Broad Channel](#).
- Several zoning text amendments enacted since Hurricane Sandy in 2012, including the [Flood Resilience Zoning Text Amendment](#) in 2013 and [six](#) in 2021, make new developments in any flood zones subject to flood resiliency rules in the City's zoning and building codes and requires raising buildings above flood elevations for residents' safety.

ROADBLOCKS AND BARRIERS THAT MAY PERSIST

ADU Study

One barrier may be the implementation of statutory fixes necessary to making a successful program. Honing legislative language to get support from a broad set of members and relevant stakeholders, ensuring available financing is there to make the program workable for a range of homeowners, and planning for operational changes on the enforcement side of relevant agencies are expected trouble spots. However, such issues are not atypical or unusual for large-scale policy implementation and are not something the City has been unable to overcome before.

Advanced Capital Planning Tool

The difficulty inherent in managing a database of this proposed scale, relying on such a range of input sources across different agencies, represents the most substantial potential roadblock. Existing data quality issues are partially a result of similar difficulties in ensuring the most up-to-date data sets are available, accessible, and digestible across and even within multiple agencies. Accordingly, DCP and partner agencies will continue to monitor and address the capacity requirements to maintaining and effectively using the proposed tool.

Incremental Development Cost Study

Barriers to successfully using the analysis and recommendations from this study could be the fluid and rapidly moving nature of both the financing and regulatory dynamics that influence housing construction costs. Ancillary policy discussions around infrastructure and social policy can also play into requirements for the kind of building program we need and result in savings or efficiencies no longer being available. Finally, implementation may require negotiation with other regulatory or legislative bodies, which could result in conditions that lead to different effects than originally forecasted during the analysis in the study.

UDTool

The most significant roadblocks relate to the difficulty of building and maintaining digital tools. Accordingly, DCP proposes to build the new tool off a beta version developed over the last few years. The agency's initial work has shown how to succeed, but the City needs additional funding to expand technical and staffing capacity.

GEOGRAPHIC SCOPE

The items within this submission range in scope from city- to region-wide. The development and refinement of the Urban Design Tool and Advanced Capital Planning Tool, along with the Incremental Development Cost and ADU Studies will have citywide impact. All five counties comprising New York City (Bronx, Kings, New York, Queens, Richmond) qualify as priority geographies under the Housing Problems Factor (County, State, and National).

KEY STAKEHOLDERS AND SOLICITING INPUT

The City has identified stakeholders for each of the proposals included in this application. The involved agencies have a long track record of working closely and productively with several of the neighborhoods and groups cited below and looks forward to expanding upon those relationships and building new ones.

ADU Study

The primary focus would be 1-4 family homeowners and potential future renters of units created through the implementation of this work.

New York City's most recent community engagement exercise to create a successful ADU and basement legalization pathway came with the launch of the Basement Pilot Program in 2016. The outreach component of that work saw direct contact with over 8,000 homeowners, local community representatives, and dozens of community groups that make up the BASE campaign, a local advocacy coalition committed to seeing ADUs and basements as a source of housing in New York State. Since then, third-party program evaluations and after-action reports, as well as subsequent legislative proposals on the local and state level, have continued to provide consistent and up-to-date feedback that has and will continue to inform and shape the design of this program.

Advanced Capital Planning Tool

DCP would engage stakeholders from across City government for support in developing this system, including but not limited to: digital expertise in the development and management of similar systems that may already exist at other agencies, user experience testing with agency planning staff likely to engage with the end product, and subject area expertise related to best practices for both evaluating and cataloguing facilities' state of good repair data. DCP will build upon its housing database and known-projects database tools to assist agencies in understanding how to plan and prioritize their projects for future need based on where housing projects are being planned or permitted and growth metrics. DCP will continue to socialize this data availability and work with the School Construction Authority, Department of Transportation, Department of Environmental Protection, Department of Design and Construction, the City's public library systems, and the Department of Parks and Recreation to understand the timing and format of this data that would best suit their planning needs.

Incremental Development Cost Study

Within NYC, this study would rely on an advisory panel of academics and practitioners to guide the process and source exemplar projects for analysis. Panel members may include representatives from other City agencies and partners, including the NYC Housing Development Corporation, NYCHA, and Department of Buildings. Outside NYC, the City would solicit members of the previously-described "NY Metro Leadership Planning Network," to partner on the study and join the steering process by sourcing sample projects from comparable suburban areas.

UDTool

DCP's Urban Design Office maintains a working group of primary internal and inter-agency urban designers that are tasked with using, testing, and informing the continued use and development of the tool. This continued collaboration ensures the tool's usability and identifies potential changes needed to improve and inform environmental review, land use actions, and development impacts. DCP's Urban Designers maintain the UDTool and meet regularly with key users and planning teams to train and troubleshoot. In DCP's experience, on-going participation from direct users leads to better-designed outcomes and lessens training timelines and needs later on in the process.

PUBLIC ENGAGEMENT AND PARTICIPATION

DCP's commitment to improved public engagement is evident in a number of ways. A new division, Community Planning and Engagement (CPE), serves as the nerve center for DCP's coordinated community planning work. The newly established Civic Engagement Studio serves as a think tank for advancing and expanding increasingly inclusive civic engagement practices and policies. The CPE team ensures a complete and coordinated internal decision-making process for all major initiatives through inter-divisional discussion and leading the Civic Engagement Studio.

Beyond the CPE division, teams across DCP engage in topic-specific outreach and engagement with stakeholders.

DCP's Economic Development and Regional (EDR) Planning team supports ongoing engagement with suburban partners. A signature of this engagement is hosting a bi-annual regional "summit" of tri-state planning, housing, and economic development governmental leadership. In addition, EDR publishes a "Thinking Regionally"⁷ newsletter that explains regional trends, such as housing production, to a wide audience of NYC and non-NYC stakeholders. EDR staff are frequent speakers at regional events and forums to share information about NYC planning priorities and projects to the wider regional community, and frequently partner with housing advocates and practitioners in Long Island, the Hudson Valley, New Jersey, and Southwest Connecticut.

DCP's Housing team engages with sister agencies, housing stakeholders, and New Yorkers in Community Districts across the city to develop and articulate the City's housing policy. This team served as project manager for the *City of Yes for Housing Opportunity* zoning text amendment that is nearing the final City Council vote. This text amendment is the largest pro-housing zoning initiative ever in NYC and required staff attendance at hundreds of meetings during the public review period, including a 15-hour hearing at the NYC Planning Commission.

HPD's Office of Neighborhood Strategies, with its specific Borough-based planning units, predevelopment and land use policy staff, and tenant and owner engagement teams, apply a multi-pronged and comprehensive approach geared to producing robust engagement and critical feedback from the communities HPD works with. At the core of this work is the *Neighborhood Planning Playbook*, a facilitation and collaborative proposal framework to partner with communities, owners, and other City agencies to plan for the preservation and development of

⁷ [NYC Thinking Regionally \(April 2024\) - Annual Housing Production Update \(campaign-archive.com\)](https://campaign-archive.com)

affordable housing in a manner that fosters more equitable, diverse, and livable neighborhoods. HPD's Development Finance Division has extensive relationships with nonprofit, mission-driven, emerging MWBE, and established community builders, which informs and shapes the agency's financing tools, building program requirements, and land use strategies, so the City creates the range of housing types of our communities need. All the aforementioned teams are rooted in an approach that by setting our benchmarks, concerns, values, priorities, and vision, and through the engagement and feedback articulated by the community, the City can more effectively engage with people to refine existing and/or develop new tools to meet community objectives.

ALIGNMENT WITH FAIR HOUSING GOALS AND STRATEGIES

The proposals in this application align with the City's fair housing goals and strategies, particularly the six key goals outlined in the City's [*Where We Live NYC*](#) report:

- Combat persistent, complex discrimination with expanded resources and protections;
- Facilitate equitable housing development in New York City and the region;
- Preserve affordable housing and prevent displacement of long-standing residents;
- Enable more effective use of rental assistance benefits, especially in amenity-rich neighborhoods;
- Create more independent and integrated living options for people with disabilities; and
- Make equitable investments to address the neighborhood-based legacy of discrimination, segregation, and concentrated poverty.

ADU Study

Where We Live NYC identifies equitable housing development in the City and the region as one of its key goals. One of the strategies to achieving this goal is to remove barriers that slow or limit the development of affordable housing, particularly in areas with few affordable options. Giving homeowners more flexibility to create units will contribute towards increasing housing opportunities in low-density districts, particularly for low-income New Yorkers in amenity-rich neighborhoods. This includes addressing restrictive building codes and processes to legalize basement apartments and create other accessory dwelling units citywide.

Advanced Capital Planning Tool

The development of an Advanced Capital Planning Tool would most directly support fair housing goals through promotion of equitable, needs-driven investments. Fundamental to the purpose of this system is its ability to better provide policy and budgeting decision-makers across City agencies with high quality, integrated data on capital needs and the state of good repair of the City's facilities and capital infrastructure. By both consolidating and enhancing the data currently managed by various capital and planning agencies, a more complete picture will be available to planners and decision makers strategizing around equitable investment to address these needs. This will not only allow for targeted infrastructure investments that better prepare neighborhoods for continued growth, but would also facilitate strategic planning for areas where capital needs are actively inhibiting greater housing development. In concert with citywide efforts to facilitate incremental housing growth across all geographies, this tool would ensure that the facilities and infrastructure planning required for that growth would be an integral piece of the planning process.

Incremental Development Cost Study

Goal 2 of *Where We Live* is to “facilitate equitable housing development in NYC and the region” by increasing housing opportunity in amenity rich areas (2.1) and removing legislative and process barriers that slow or limit the development of affordable housing (2.2). Throughout these strategies, the goal of alleviating the cost of housing is implied or addressed through specific pre-identified means (lifting Floor Area Ratio cap, accelerate land use process, generate new site opportunities) but without a direct initiative related to understanding cost drivers. This study will likely provide more quantitative basis for evaluating the impact of levers already identified, but also create the potential for new initiatives that support the overall goal of more, less costly housing options. It also creates a novel opportunity to partner with other regional governments to reduce duplication and create efficiency and comparability, in a space that is de-politicized and supports the continuation of localized planning efforts.

Urban Design Tool

A tool that enables faster and more reliable modeling of future development opportunities expands the ability of affordable housing developers to present compelling visual cases for the integration of new housing types into well-resourced areas of opportunity.

INCREASING HOUSING CHOICE

Over the past decade, community opposition to development has increased while the City’s housing crisis has continued. In many amenity-rich, low-density neighborhoods, opposition to new housing—and particularly affordable housing—is expressed as concerns about competition for local services or about changes to neighborhood character and can serve to exclude low-income residents and particularly people of color. These fears are often compounded by distrust of government, since many momentous land-use decisions in the 20th century were enacted with little community input and had drastic, negative impacts. Together, these and many other pressures have limited housing growth in New York City to levels that are far lower than what the city experienced in earlier periods of growth, and lower than other growing, high-cost cities.

The proposals address the unique needs of protected class groups. Greater housing supply will allow for better choice and mobility options. Particularly with those projects that use City subsidy, the City will be able to apply thorough design guidelines that go beyond the existing building code and require specific investments to allow for universal accessibility and supply targets for 2- and 3-bedrooms apartments, as well as income-restricted bands, in multi-family buildings.

The tools proposed through this grant proposal have the combined goals of increasing transparency and improving efficiency into the development frameworks being proposed, and creating opportunities for housing growth citywide through addressing barriers to housing affordability and development.

DISPLACEMENT RISK

Over the past eight years, the City has built a robust anti-displacement plan, from creating the nation’s first program to provide universal access to free legal services in eviction proceedings, to investing billions of dollars in rehabilitating existing housing units, to providing a preference for

income-eligible New Yorkers who apply for new affordable housing near their homes, and the multi-billion dollars investments made to support the City’s public housing stock.

ADA COMPLIANCE

All of New York City’s new housing and transportation must comply with City and federal requirements related to accessibility for people with disabilities.

New York City is the premier city in the country for public transit access and use with the highest mode share of any major city in the U.S. for biking, walking, or using mass transit. The City’s policy directs housing growth to areas with good transit access.

The vast majority of the new housing resulting from the included proposals and developed in NYC would be multi-family housing, which would allow for a variety of housing types, from studios, to apartments, to congregational living, and would be affordable to a wide range of income groups. Much of this new housing would be built near existing public and retail services and transit. The added density of housing and residents would strengthen existing retail corridors and substantiate increased transit service. New York City public services are concentrated in areas with easy access to mass transit for both residents and government workers. All new buildings would be ADA-compliant by law and, as such, multi-story, multi-family buildings would have elevators for access to upper floor units.

EQUITY-RELATED EDUCATIONAL RESOURCES, TOOLS, AND PUBLIC INPUT

The City developed an Equitable Development Data Explorer tool to help advance the City’s work to promote fair housing and equitable development across the five boroughs, as outlined in *Where We Live NYC*. The explorer was required by Local Law 78 of 2021, which developed out of advocacy by the Racial Impact Study Coalition (RISC) and Public Advocate Jumaane Williams to center major planning decisions in racial equity. As of June 1, 2022, certain property owners applying for land use changes must produce a Racial Equity Report using information pulled from the data tool. This report will assist racial equity discussions during the public land use review process known as ULURP.

MINORITY-, WOMEN-, AND VETERAN-OWNED BUSINESSES

The engagement plan includes ensuring outreach to a diverse range of stakeholders, including M/WBEs and Veteran-owned businesses, as stakeholders in the communities, as potential partners in development, and in any procurement opportunities that might arise out of this grant.

The City of New York is committed to encouraging a fair, competitive, and diverse business environment, supporting the growth and success of M/WBEs and Veteran-owned businesses while also fostering a procurement process that is accessible to all businesses.

HPD and DCP will work with the NYC Department of Veterans’ Services (DVS) who as part of their mission connects veteran business owners and entrepreneurs to the resources and services they need to grow and succeed, including funding opportunities, training programs, and networking events. This effort is facilitated through a shared platform called VetConnectNYC.

The City’s M/WBE Program currently comprises several initiatives including the Local Law 1 program, the OneNYC initiative, and the M/WBE Noncompetitive Small Purchase Method⁸. These initiatives were specifically created to increase contracting opportunities and participation among certified M/WBEs. The Mayor’s Office of Contract Services partners with the Mayor’s Office of M/WBEs and the Department of Small Business Services to administer the program.

In respect to production subsidized under City-sponsored programs, HPD is committed to promoting the participation of M/WBEs and non-profit organizations in the development and management of affordable housing. Through the M/WBE Building Opportunity Initiative, HPD works to address demonstrated disparities in M/WBE participation in affordable housing development, strengthen the affordable housing development industry, and further its mission of providing safe and affordable housing to all New Yorkers. This includes access to flexible bridge loans with favorable terms through the New York City Acquisition Fund for vacant sites or occupied buildings, predevelopment, and moderate rehabilitation only available to M/WBE and non-profit developers. This tool ultimately reduces land acquisition costs and project risks. Additionally, the program requires developers/borrowers to spend at least a quarter of City-supported costs on certified M/WBEs over the course of design and construction of certain City-subsidized projects. A minimum goal will be calculated and required for each project subject to the program (projects where the City contributes two million dollars or more). Developers may target a goal higher than the minimum.

BUDGET

Purpose	Estimated Budget	Timeline	Basis On Which Budget Was Determined
ADU Study: Contracting a third-party consultant	\$1,000,000	2 years	Based on HPD’s extensive experience with consultant contracts of similar scales and scopes, estimate considers cost of salaries for three full-time consultant staff and administrative costs.
Advanced Capital Planning Tool	\$3,000,000	2 years	DCP estimate based on work with consultants and technical experts
Incremental Development Cost Study: Contracting a financial consultant and supplemental support	\$500,000	2 years	DCP estimate based on work with consultants and technical experts
Urban Design Tool: Contracting with a third-party consultant	\$300,000	5 years	DCP estimate based on work with consultants and technical experts
Total	\$4,800,000		

⁸ The City is highlighting these efforts as examples of actions it has taken to support M/WBEs. The City recognizes that some local procurement rules are not compliant with federal procurement requirements and is not proposing to use these methods for procurement actions undertaken with PRO Housing funds if awarded.

The minimum viable funding for each of the projects and likely impact of a 50 percent reduction in HUD funds are described below:

- ADU Study could not be advanced with less funding. This initiative would be postponed until other funding is identified.
- Advanced Capital Planning Tool could be advanced at a reduced budget by scaling the scope of inputs. For example, the technical capability of a database could be scaled back by developing the tool with more limited access or functionality with regards to mapping or developing cross-tabulations of site characteristics. Additionally, fewer agencies' assets could be integrated into the database, and/or fewer inputs associated with the condition of the assets. However, reducing the scope of the tool would dramatically decrease its effectiveness for a citywide need of this scale.
- The Incremental Development Cost Study could be advanced at a reduced budget if regional examples were excised, or if focus was reduced to exclude certain drivers (e.g., focusing only on hard costs vs. soft costs).
- The Urban Design Tool could be advanced at a reduced budget by scaling the scope and reducing overall functionality. For example, fewer parameters could be built into the model, or the model could be developed to produce deliverables associated with a smaller subset of NYC zoning districts.

SCHEDULES AND TIMELINES

ADU Study

- **Building code review and recommendations (months 1-12)**
 - Identify potential code changes to facilitate conversion and new construction of different ADU typologies. Code changes should consider flood and other life and safety risks.
 - Identify existing building code and regulations that can be waived or altered to allow basement legalization once state legislation is enacted.
- **Homeowner assistance (months 12-24)**
 - Identify administrative barriers to ADU construction and develop recommendations to streamline homeowner ADU permitting processes.
 - Create template architectural designs for various ADU typologies that homeowners can select to obtain permits.
 - Create a homeowner guide on ADU construction; incorporate guidance on tenant safety and rights.

Advanced Capital Planning Tool

- **Project design and research (months 1-12)**
 - Hire team; on-board consultants through a Request for Proposals (RFP) and/or task order to work alongside DCP team. Extra capacity from a consultant is critical to success.
 - Identify, analyze, and document existing data sources across City agencies and systems of sharing capital planning infrastructural needs assessments.
 - Identify agency user needs through research with expected teams and end users engaged in capital planning efforts.
 - Design the underlying architecture of the tool.
 - Develop a sprint plan with initial, known features, requirements, and design.

Deliverables:

- Confirmed RFP and procured consultant to conduct research; assembled steering and outreach process.
- Documented findings on data, systems, and user needs.
- Detailed scope of tool development.
- **Phased design/build, test, and launch (months 12-24)**
 - Each phase will be composed of 2-week sprints that will be dedicated to the assigned features in the sprint plan.
 - Each phase will be tested and functional at release.

Deliverable: Fully functional Advanced Capital Planning Tool, delivered in two to three phased releases with iterative functionality.

Incremental Development Cost Study

- **Assemble project team (months 1-3)**
 - Identify academic/institutional lead partner.
 - Assemble NYC steering committee of academic and practitioners.
 - Scope and issue consultant RFP.
 - Confirm regional partners/comparable jurisdictions.

Deliverable: Confirmed RFP and procured consultant to conduct research; assembled steering and outreach process.

- **Initial analysis (months 4-6)**
 - Scan of national literature and trends on key drivers.
 - Gather existing information from agency documents, initial stakeholder conversations.
 - Confirm typologies for analysis.
 - Confirm projects to sample.

Deliverable: Confirmed project sample and detailed scope for financial analysis.

- **Financial assessment (months 7-12)**
 - Develop detailed pro forma for sample projects.
 - Develop comparable analytics assessing cost structure across project types/geographies.

Deliverable: Completed financial analyses and summary comparison analytics.

- **Assessment of drivers (months 13-15)**
 - Based on financial assessments, refine work assessing the root causes and differences in key cost drivers.
 - Conduct stakeholder feedback on results.

Deliverable: Completed findings and clean pro forma backup.

- **Recommendations (months 16-24)**
 - Conduct detailed policy conversations on each primary driver.
 - Compile best practices from in-region or other jurisdictions.
 - Outline potential recommendations.
 - Conduct outreach with steering committee.

Deliverable: Completed white paper on potential recommendations.

UDTool

- **Project design and research (12 months)**

The design/build process will be done iteratively in two-week sprints for entirety of the project.

- Hire team; on-board consultants through an RFP and/or task order to work alongside DCP team. Extra capacity from a consultant is critical to success.
 - Conduct research on similar systems.
 - Identify user needs through research with expected end users.
 - Design the underlying architecture of the tool.
 - Develop a sprint plan with initial, known features, requirements, and design.
- **Phased design/build, test, and launch (every 2 weeks, with public launch every 6 months)**
 - Each phase will be composed of 12, 2-week sprints that will be dedicated to the assigned features in the sprint plan.
 - Each phase will be tested and functional at release.

City of New York PRO Housing Application

Exhibit E: Capacity

PRO HOUSING APPLICATION DEVELOPMENT

This application was prepared by the NYC Department of City Planning (DCP), Department of Housing Preservation and Development (HPD), and Mayor's Office of Management and Budget (OMB). The City did not use consultants or professional grant-writers. While this proposal is the collective effort of multiple dedicated employees, the primary authors were:

- DCP:
 - Laura Smith, Deputy Executive Director, Strategic Planning
 - David Parish, Chief Operating Officer
- HPD:
 - Ahmed Tigani, First Deputy Commissioner & Chief Diversity Officer
 - Lucy Joffe, Associate Commissioner for Housing Policy
 - Neil Reilly, Executive Director, Policy Development and Special Initiatives
 - Shana Wernow, Senior Advisor, Office of Finance and Administration
- OMB: Julie Freeman, Director of Community Development, assisted with coordination

Agency Roles

If awarded, OMB would serve as grant administrator while HPD and DCP would implement the proposed activities. All agencies have existing capacity to manage the proposed activities. OMB's CDBG Entitlement and Disaster Recovery (CDBG-EDR) Unit manages the City's CDBG grants, and its 17 members have over 145 years combined experience doing so. HPD and DCP have received the largest and second largest shares, respectively, of the City's CDBG Entitlement funding for several decades. Each agency has implemented numerous projects similar to those proposed and is very familiar with the associated requirements. The extensive years of experience and existing relationships would allow the City to implement activities with minimal to no delay if awarded PRO Housing funding.

The role of each agency would be as follows:

- HPD would lead implementation of the ADU Study.
- DCP would lead implementation of the Advanced Capital Planning Tool and the UDTTool.
- DCP and HPD would co-lead the Incremental Development Cost Study.
- OMB would oversee the budget and reimbursement process, coordinate reporting and the DRGR Action Plan, ensure and monitor compliance with applicable requirements, etc.

Each agency's existing roles and missions make them perfectly suited to undertake their respective activities.

DCP is responsible for land use and physical planning for the growth and development of New York City. In addition to initiating citywide and local area planning initiatives, the agency also administers the public land use review process, provides guidance to the City Planning Commission and other decision makers, and provides information and technical assistance to community boards and others on planning-related matters. DCP works closely with community boards, local partners, and community members on local planning initiatives for individual neighborhoods and business districts, to address a wide range of objectives. The Department also assists the City Planning Commission, community boards, government agencies and the public by providing policy analysis and technical assistance relating to population, housing, transportation,

community facilities, urban design, and public space. Further, the agency's Information Technology Division, with a staff of nearly 50, is able to provide reliable and robust support for the planning-oriented divisions that would be project managing the tools.

HPD is responsible for promoting quality and affordability in the city's housing, and diversity and strength in the city's neighborhoods. HPD enforces the New York City Housing Maintenance Code on behalf of tenants, inspecting homes for housing quality and safety, training and educating property owners, bringing cases in Housing Court, requiring emergency repairs, and more.

In its efforts to meet the housing demand, HPD finances new affordable housing developments focused on supporting low-income and vulnerable New Yorkers, bringing amenities to underserved communities, and helping working class residents build wealth. The agency works to ensure that existing affordable housing stays affordable and in good physical condition into the future by helping owners stabilize their buildings with tax-exemptions, repair loans, outreach, and education; and working with qualified community partners to rehabilitate properties in distress. HPD also supports property owners across the city with outreach and technical support to help them manage their buildings, ensuring that HDFC cooperatives, City-supervised Mitchell-Lamas, and City-subsidized affordable housing are healthy and in compliance with the law; and helping small homeowners protect their assets.

To bolster communities and bring them in as partners, HPD provides inclusive business opportunities for Minority- and Women-owned Business Enterprises (M/WBEs) and non-profits to ensure the economic benefits of affordable housing development are shared across all communities. HPD works with local residents, elected officials, and community groups to create and preserve affordable housing that fosters more equitable, diverse, and livable neighborhoods by crafting neighborhood-specific housing plans and requests for proposals for public sites based on the community's vision, values, and priorities. HPD manages and distributes funds on behalf of the City to nonprofit organizations, other City agencies and PHAs, and to advance the City's target for subsidized housing production by managing City tax levy and federal grant or tax credit authority contributions. HPD is also a local administrator of the nation's largest Housing Choice Voucher program that requires effective management of over 37,000 vouchers and coordination between thousands of tenants, owners, and other ancillary entities that help ensure a functional and effective system.

All aspects of HPD's work are supported by an extensive budget, procurement and operation unit, experienced Legal Affairs team, and multi-faceted labor and wage monitoring units. Additionally, HPD reports on multiple aspects of the agency's work through required reports and monthly, quarterly, and annual metrics managed by the Mayor's Office of Operations. In addition, many of HPD's offices and divisions have their own Operations specialists that manage quality assurance and oversee internal control for their subject matter areas.

Prior Agency Collaboration

The partner agencies have a history of successful collaboration. For example, DCP undertook a community planning process in East New York funded by a Sustainable Communities Regional Planning Grant through the U.S. Department of Housing and Urban Development, U.S. Department of Transportation, and the Environmental Protection Agency. The resulting report,

Sustainable Communities: East New York, resulted in the East New York Neighborhood Plan of 2016. The Plan consulted with each of the partner agencies and to date has led to the construction of over 2,000 units of housing and is a model for community engagement and public investments improving the lives of lower-income, immigrant, and other disadvantaged communities.

Civil Rights & Fair Housing Experience

Both agencies have extensive experience working with civil rights and fair housing issues in a range of ways. For example, pursuant to federal requirements, the City is responsible for reporting on its efforts to affirmatively advance fair housing through a thorough assessment that is shared with HUD. On the state level, projects require users to develop and undertake a plan that lays out how they will advertise the development to potential applicants who might not otherwise apply for the housing. On the local level, the City works on this issue in many ways, under the umbrella of the strategies outlined in the *Where We Live NYC* program and, in a more direct way, responding to direct constituent feedback through Fair Housing NYC a joint website of HPD and the NYC Commission on Human Rights, which helps explain your rights and responsibilities as tenants, homeowners, landlords, and building owners.

The City developed an Equitable Development Data Explorer tool to help advance the City's work to promote fair housing and equitable development across the five boroughs, as outlined in *Where We Live NYC*. The explorer was required by Local Law 78 of 2021, which developed out of advocacy by the Racial Impact Study Coalition (RISC) and Public Advocate Jumaane Williams to center major planning decisions in racial equity. As of June 1, 2022, certain property owners applying for land use changes must produce a Racial Equity Report using information pulled from the data tool. This report will assist racial equity discussions during the public land use review process known as ULURP.

Leadership Capacity & Legal Authority

The proposed activities, and the goals of the PRO Housing grant in general, are aligned with the City's current plans, particularly the [*City of Yes*](#) initiative, and do not require legal authority from other entities.

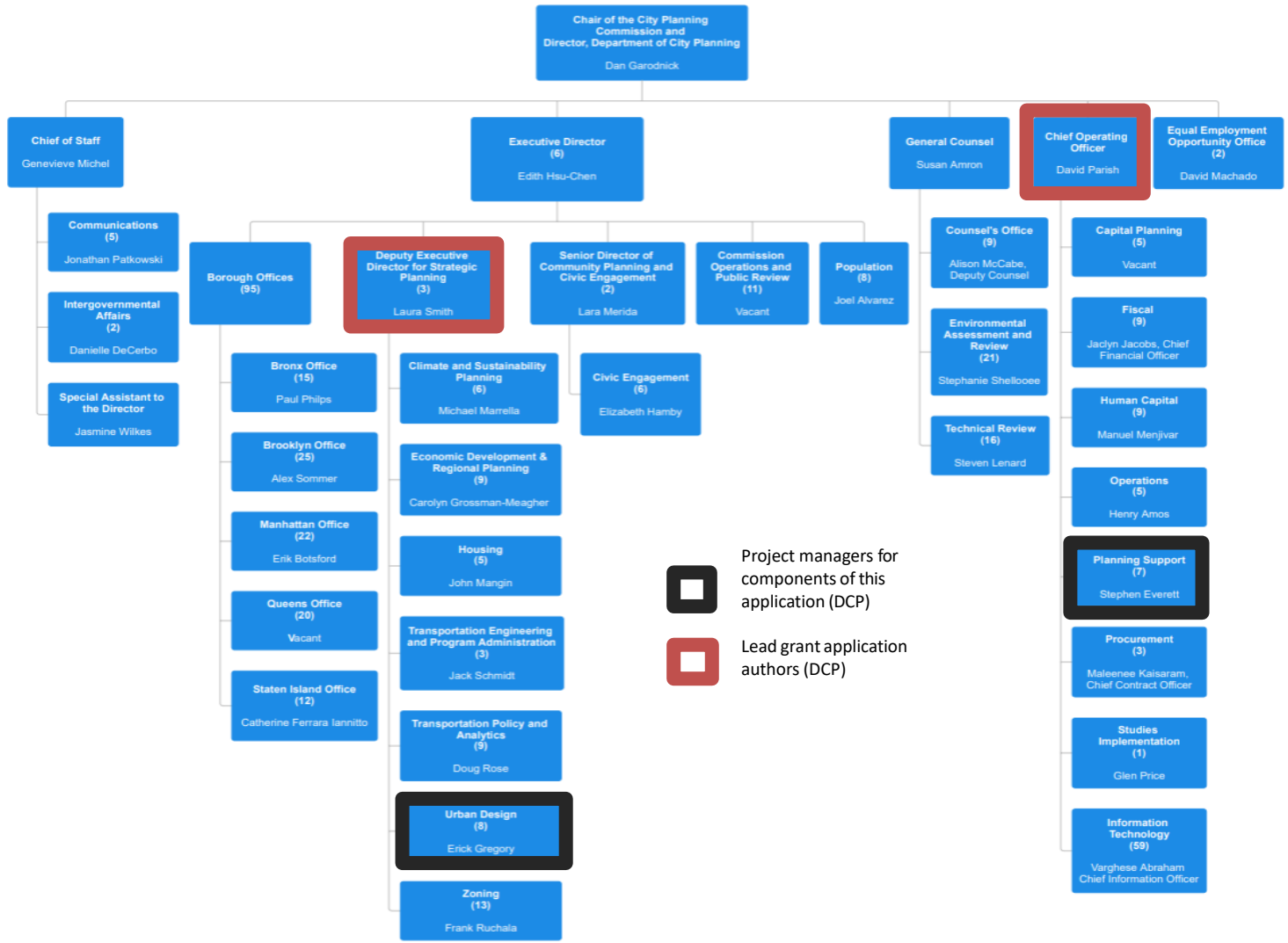
Partner Capacity

requires the assistance of technical providers experienced with providing the previously described services to mission-driven organizations. There are several credible providers with successful track records in this work including Local Initiatives Support Corporation (LISC), Enterprise Community Partners, as well as others. HPD plans on proceeding with a process to solicit interest and consider adding capacity to eligible and effective programs.

Organizational Charts and Staff Roles

Department of City Planning

DCP would allocate existing staff members to the projects proposed: two on the Advanced Capital Planning System, four on the UDTool, and two on the Incremental Development Cost Study. The dedicated staff are currently serving under the divisions outlined in the following organizational chart.



NYC Department of Housing Preservation and Development

HPD would allocate existing staff members to the projects proposed: 2 on the ADU Study, and 3 on the Incremental Development Cost Study. The dedicated staff are currently serving under the divisions outlined in the following organizational chart.

YELLOW – Project Managers for components of these applications (by unit) for HPD

GREEN – Lead grant application writers (by unit) for HPD

City of New York PRO Housing Application

Exhibit F: Leverage

The City of New York commits to leveraging other funding as described below. The City will provide a Commitment Letter from the Mayor's Office of Management and Budget as documentation of the City's pledge in its submission to HUD. Please note the full-time staff counts below may refer to discrete positions or Full-Time Equivalents (FTE), but for simplicity, the City is referring to all as FTEs.

Accessory Dwelling Unit (ADU) Study

The ADU Study will leverage \$1,425,460 from four funding sources:

- \$400,000 from NYC's CDBG Disaster Recovery award for Hurricane Ida. HPD will use these funds to conduct a study to identify areas suitable for basement apartment legalization, develop recommendations, and provide preliminary designs for a range of flood hazard mitigation solutions for basement apartments. This study will complement the ADU initiative by ensuring that basement ADUs are created safely and resiliently; and
- \$33,597 from CDBG Entitlement that will support two part-time positions, \$17,973 in HOME Investment Partnerships that will support one part-time position, and \$973,890 in CTL funding, which will support two full-time positions and four part-time positions at HPD. Staff will oversee the ADU Study and implement recommendations over approximately four years.

Advanced Capital Planning Tool

The Advanced Capital Planning Tool will leverage \$264,868 in funding from CDBG Entitlement for two FTEs at DCP for two years.

Incremental Development Cost Study

The Incremental Development Cost Study will leverage \$373,264 in funding (\$146,600 in CDBG Entitlement and \$226,664 in City tax levy) for two FTEs at DCP for two years each.

Urban Design Tool (UDTool)

The UDTool proposal will leverage \$353,867 in funding (\$200,853 in CDBG Entitlement and \$153,014 in City tax levy) for two FTEs at DCP for one year each.

City of New York PRO Housing Application

Exhibit G: Long-Term Effect

SUSTAINED PRODUCTION

Accessory Dwelling Unit (ADU) Study

Further investment in identifying and working through the barriers of creating ADUs will provide significant benefits to seeing it successfully adopted on eligible lots city-wide. ADUs deliver enormous benefits to homeowners and renters across the country and are an exciting opportunity for creating more housing in New York City. While the assessment of its full potential is something the City will continue to revise as new streamlining efforts proceed forward, we do have tangible examples of significant interest from potential benefactors of the program. Through a grant provided by the New York State Homes and Community Renewal (HCR) “Plus One ADU” pilot program, the City launched a public pilot to solicit potential homeowners interested in building a ADU on their property. The City received over 2,800 responses for only 15 available spots in the pilot, just within the initial inquiry period, and continues to receive inquiries from homeowners seeking to learn more about this opportunity. From the City’s perspective, the demand is there as we continue to advance ways to make the program more cost-effective and accessible.

Advanced Capital Planning Tool

This system would be designed to reduce barriers associated with inefficient procedures and deteriorating or inadequate infrastructure by increasing coordination across multiple agencies that are responsible for developing and maintaining capital assets and infrastructure necessary for the continued growth of New York City. By establishing a robust database of agency projects, assets, and anticipated future needs, the Department of City Planning (DCP) will be able to make more informed planning and land use decisions and address vulnerabilities in infrastructure capacity that may be affected by planned future demand far earlier in the land use review process than is possible today. Even a “one shot” project to collect existing assets and asset conditions would have measurable positive and sustained impacts on how DCP makes smart planning decisions and considers appropriateness for housing development. This tool would similarly produce compounded impacts across other agencies participating in the data collection and management for the system by introducing a unified strategy for citywide needs assessment and data aggregation. The efficiencies borne out by this standardizing and consolidating of previously disparate data resources will not only benefit DCP in its land use decision-making and long-term planning, but will carry the same benefits to a range of other agencies engaged in capital and infrastructure planning in New York City.

Incremental Development Cost Study

This study would yield a more nuanced and detailed understanding of the costs associated with development, thus enabling planners and housing producers, including DCP and HPD, to make strategic decisions about where to support new development, and what incentives are necessary to drive production. Identifying the specific hard costs associated with certain types of development, the City will be in a better position to review policies around the types and locations for new housing. The research will allow the City to make more strategic decisions about municipal housing budgets, determine the baselines for subsidy terms, grant the ability to gather more information about the environment development partners have to navigate, and allow for a more sustainable approach to pushing growth in the City’s assisted housing supply goals. Recognizing

the costs associated with building under certain conditions, such as building materials needed to accommodate site-specific environments, will enable NYC to plan smarter and more efficiently well beyond the conclusion of this study as proposed.

UDTool

Further investment in the UDTool would build upon current use cases demonstrated thus far while integrating new features that can improve DCP's capacity to conduct meaningful community engagement.

The work of City Planning and other agencies is highly conducive to computational design and modeling. DCP has explored a variety of potential applications for its tools with other agencies, including the analysis and modeling of NYCHA infill development, work with the NYC Economic Development Corporation on large-scale development, and collaboration with the Department of Housing Preservation and Development (HPD) on individual parcels. These cross-departmental collaborations can help the agency disseminate its knowledge and understanding of zoning regulations, while advancing critical citywide goals such as affordable housing and economic development. Whether exploring how new housing proposals will play out in various contexts, or enhanced means of connecting with the public, the UDTool can aid planners and designers across agencies in the broader process of increasing housing production.

OUTCOMES & LONG-TERM EFFECTS

ADU Study

The study would identify administrative and regulatory barriers to ADU construction within existing building code and permitting processes and develop recommendations to address barriers through regulatory and code changes. The study will also develop recommendations to streamline ADU permitting and develop a comprehensive guide so that owners of 1-4 family homes have access to information necessary to facilitate ADU construction. The final products would likely include a printed and digitally available homeowner guide on ADU construction as well as a set of legislative proposals that would require passage by the New York City Council.

Advanced Capital Planning Tool

The City possesses a variety of data on NYC's public buildings, which is gathered for other purposes and stored in separate, disconnected systems. Combining this information into a searchable data portal will enable smarter long-term capital planning and guide housing development goals, and ensure that unanticipated needs associated with infrastructure capacity and condition don't hinder the City's plans for long-term growth and development. By leveraging data on NYC's public buildings, the City can support more effective long-term capital planning.

Incremental Development Cost Study

This study would provide the City and regional housing providers with critical cost information as shovel-ready development sites dwindle, and sites that have traditionally been passed over for more housing are reconsidered. A positive outcome of this study would be a more efficient allocation of public resources devoted to the construction of much-needed housing, and a

reconsideration of public policies and regulation that may be demonstrated to have a disproportionately negative effect on housing production.

UDTool

As discussed throughout this application, DCP has developed internally a beta version UDTool that models zoning envelopes and generates development scenarios that have quickly enabled the Department to cut its overall modeling and data output time by as much as 90 percent. If awarded funds, the UDTool would be updated to include new enhancements and upgrades to increase its applicability and updated to automate the new rules enacted under *City of Yes*.

REDUCING HOUSING COST BURDENS

The purpose of the citywide *City of Yes for Housing Opportunity* zoning reforms is to allow for the construction of more multi-family, mixed-income housing throughout New York City to increase the supply of all housing and reduce pressure on housing costs. Most of the new housing expected from the zoning reforms will be created in the many areas of the City that are well served by public transit, which provides easy access to public amenities, services, and job centers. Locating more housing near transit significantly lowers transportation costs for residents by reducing and even eliminating the need for car ownership.

Homeowners will benefit from the improvements and streamlining the ADU study will provide so that they can construct the additional unit at a reduced cost – either through best practices or reduced administrative burden – and see greater cashflow to offset household costs with the successful leasing up of an accessory unit or basement apartment.

PROPOSAL AS MODEL FOR OTHER COMMUNITIES

New York City is a model for as-of-right development, with a zoning resolution that seeks to enable most development to occur without special zoning approvals. The City is also a model for adopting cutting edge technology and current data to inform evidence-based decision-making and policy formation. These proposals build on this capacity. The City is constantly striving to ensure the Zoning Resolution and other codes keep pace with current housing and development needs. Current efforts underway including the *City of Yes* initiatives seek to expand housing that can be built as-of-right citywide, in the most pro-housing proposal the city has seen in modern history. Additional proposals outlined in this application are designed to unlock additional opportunities, capital planning or building code regulations for allowing a greater range of housing typologies may be replicated by jurisdictions elsewhere. Modeling an as-of-right framework for housing development without onerous site plan review may guide other communities on how to develop a comprehensive zoning system that then allows the market to respond according to demand.

TARGETED OUTCOMES AND MEASURES OF SUCCESS

Success of the proposals would mean a vast increase in the amount and speed of housing, especially affordable housing, built throughout the city and reduced pressure on housing costs.

ADU Study

The ADU Study would allow easy creation of accessory units and basement apartments. It will create a set of regulatory and policy recommendations to ease the administrative and cost burden associated with this activity, as well as a user-friendly guide for homeowners that want to participate but need direction.

Advanced Capital Planning

The platform will support sustained housing creation and help prioritize projects that reduce barriers to housing growth by increasing or updating facility and infrastructure capacity. It will ease the administrative cost burden associated with capital planning and coordination across agencies and allow for more proactive planning.

Incremental Development Cost Study

The Cost Study would allow the City to look holistically at the factors driving the upward costs of housing, and in particular government assisted housing production, which is making it difficult to accelerate supply centric solutions. The results of this analysis would allow us to appraise individual inputs, their contribution to the problem, and the resistance and pliability of those inputs to strategies that would make it more predictable and efficient to build. Ultimately, we would hope to come out with a set of recommendations and action items to create short- and longer-term impacts.

UDTool

The Urban Design Tool would allow easy visualization of changes to the built environment because of zoning changes. The Tool would be used in the environmental review for discretionary land use applications to allow for faster analyses of any potential impacts on the environment as a result of the changes. Furthermore, the Tool would allow the public to better understand proposed changes in zoning in their neighborhoods.