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East Harlem Housing Plan

Office of Neighborhood Strategies
NYC Department of Housing Preservation & Development



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This Housing Plan summarizes the goals, strategies, and actions that the City proposes to undertake in response to a range of needs and priorities in the neighborhood, including those articulated by residents and stakeholders in the East Harlem Neighborhood Plan (EHNP).

This document has been updated since a draft was issued on May 1, 2017, to incorporate additional community input gathered through the land use review process, and to refine the strategies accordingly. This Housing Plan is part of a broader community development initiative under Housing New York, which is the Mayor’s plan to build and preserve affordable housing through strategic investments that foster diverse, livable neighborhoods.

Visit nyc.gov/eastharlem for information about the final approved rezoning and an interactive map of all neighborhood strategies and planned investments.

Visit eastharlemplan.nyc to download the East Harlem Neighborhood Plan.

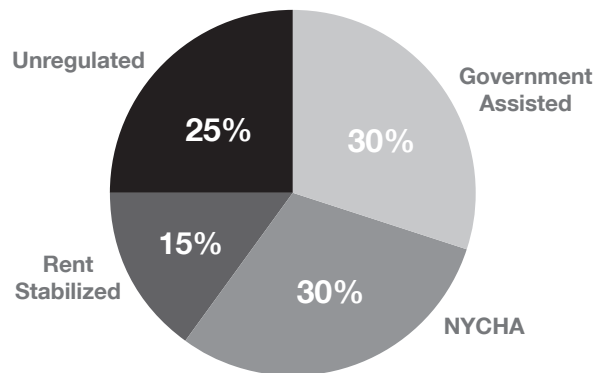
Housing Snapshot

Manhattan's Community District 11, which encompasses East Harlem, has one of the largest concentrations of rent regulated housing in New York City. Approximately 75% of all homes in the neighborhood are regulated by a government agency, compared to just one third of all homes across the city.¹ This stock of stable affordable housing, which includes over 15,000 apartments managed by the New York City Housing Authority (NYCHA), has served local residents for many decades.

However, the city's population is growing, and increased demand is putting pressure on East Harlem's housing supply. Between 2002 and 2014, prior to the announcement of any rezoning, the median gross rent in East Harlem increased by approximately 40%, while rents increased only 24% citywide.²

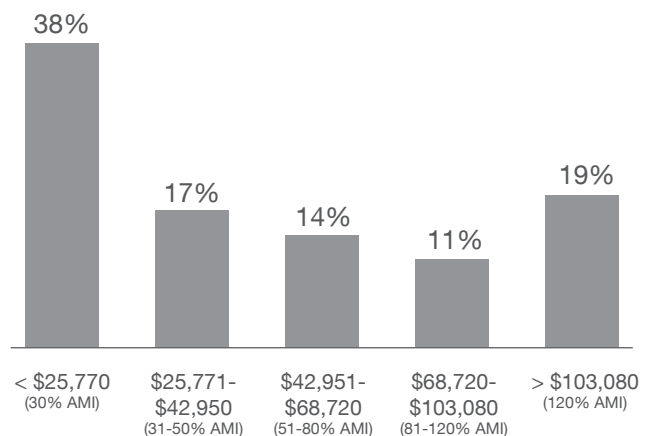
As the demand for housing continues to grow, East Harlem residents have reported that rents are increasing beyond what they can afford. For example, the median household income in East Harlem is \$30,973,³ but in order to afford current median market rents, one would need to earn at least \$85,000 for a one-person household or \$100,000 for a three-person household.⁴ As a result, more than half of all CD11 households are considered "rent burdened," meaning they spend more than a third of their income on rent.⁵

Regulatory Status of Existing Homes (CD11)



HPD Research and Evaluation, 2016

Household Income Distribution (CD11)



Sample incomes are for a three-person household based on 2017 HUD Income Limits; ACS, 2011-15

¹ HPD Research and Evaluation, 2016

² NYC Housing and Vacancy Survey, 2002 and 2014

³ U.S. Census, American Community Survey, 2011-15

⁴ Streeteasy, December 18, 2017. Sample incomes are calculated from the median asking rents, assuming households spend no more than a third of their income on rent. Median asking rents in East Harlem ranged from about \$1,800 for a studio to \$2,800 for a three-bedroom apartment. New construction units were priced on average at approximately one third higher than the median.

⁵ NYC Housing and Vacancy Survey, 2014; does not include households in public housing or with vouchers.

Since 2003, the City has financed the construction or preservation of almost 14,000 affordable homes in East Harlem. Over the past three years alone, CD11 ranked third among all community districts in terms of the number of affordable homes that have been created or preserved. Yet despite these significant investments, more needs to be done to ensure long-term residents are not forced from their homes, and that still more housing is created to meet the intense demand that is driving rents and threatening East Harlem's character and diversity.

Affordable Housing Development and Preservation Activity in East Harlem (CD11)

Type	2003-13	2014-17	Total
New Construction	2,590	844	3,434
Preservation	7,064	3,387	10,451
Total Units	9,654	4,231	13,885

HPD Performance Management and Analytics, Sep 2017



Housing New York 2.0: Accelerate and Expand

In May 2014, the de Blasio Administration unveiled Housing New York, a comprehensive plan to create and preserve 200,000 affordable homes in ten years. Three and a half years in, the City is ahead of schedule. The Department of Housing Preservation and Development (HPD) and the Housing Development Corporation (HDC) have financed the new construction or preservation of 77,651 affordable homes – the highest rate of affordable housing production in any three years in New York City's history. In early 2017, the Mayor committed to an additional \$1.9 billion to serve the lowest-income New Yorkers, with particular commitments to seniors and veterans.

Building on this foundation, in November 2017, the Mayor released Housing New York 2.0, an extended plan to accelerate and achieve the 200,000 goal two years ahead of schedule, and reach a new goal of 300,000 homes by 2026. Through new programs, partnerships, and strategies, the City will continue to help thousands more families and seniors afford their rent, buy a first home, and stay in the neighborhoods they love.

This updated and expanded Housing Plan will:

- Put seniors first by preserving more senior housing, making homes more accessible to seniors and people with disabilities, and developing new senior housing on vacant land
- Help New Yorkers buy a piece of their neighborhoods through new programs to construct condos and co-ops for first-time homebuyers and help existing homeowners make needed repairs
- Build a firewall against displacement by helping non-profits purchase rent-stabilized apartment buildings and keep them affordable
- Protect affordability at Mitchell-Lama buildings
- Capitalize on advances in technology and innovative design to expand modular building and micro-units
- Unlock the potential of vacant lots and activate underutilized sites for new housing

01 Preserve Existing Affordable Housing

The Administration is working on multiple fronts to keep New Yorkers in their homes and make sure our housing stock is in good financial and physical shape.

HPD preserves affordable housing by rigorously enforcing the Housing Maintenance Code; financing improvements in the quality, physical condition, and efficiency of residential buildings in exchange for restrictions on the rents an owner can charge; and monitoring the condition and long-term financial stability of affordable buildings. Under Housing New York, the City has also worked to protect tenants from deregulation and harassment, expanded and refined its preservation tools to reach a wider range of properties, and created new incentives to preserve long-term affordability in changing neighborhoods.

HPD is committed to working with local organizations in East Harlem to facilitate the coordination of preservation activities, including through enhanced support for tenant organizing and strategies targeting buildings at risk.

Finance and Safeguard Affordability

HPD administers loans and tax incentives to help building owners improve the quality, physical condition, and efficiency of their properties. In exchange for financial assistance, property owners are required to maintain rents at levels that are affordable to existing tenants, as well as limit rent increases. Over the past three years, HPD has financed the preservation of more than 3,300 affordable homes in East Harlem, representing about 8% of all homes preserved across the city.



2026 Lexington Avenue, part of the Hope East of Fifth preservation project

Strategy 1

Keep existing homes affordable by continuing to offer loans and tax incentives to building owners

A large proportion of the existing homes in East Harlem (75%) are rent stabilized, rent controlled, and/or receive some form of governmental assistance that limits the rents that can be charged. Privately owned housing that receives government assistance, whether through HPD, New York State Homes and Community Renewal (HCR), or the U.S. Department of Housing and Urban Development (HUD), comprises approximately 30% of the total housing stock in the neighborhood. These homes have affordability restrictions that are monitored closely by the respective agencies.

HPD's goal is to keep the homes in its portfolio under regulatory protections that restrict rents, and it does so by proactively reaching out to owners to inform them about the financial incentives the City can provide to help them keep the apartments affordable. HPD also meets regularly with HUD and community organizers to ensure close coordination on opportunities to keep HUD-assisted buildings affordable after their current restrictions end.

Strategy 2

Implement an extensive outreach strategy to promote programs that could help owners make repairs and preserve affordability for existing tenants

For buildings that are not currently assisted or monitored by a government agency, HPD is taking a more proactive and strategic approach to engaging building owners who could benefit from our financing and tax incentives in exchange for maintaining affordable rents. Many owners are either not aware of HPD's products or do not have experience working with a public agency, but we are piloting new tactics to reach and assist those owners.

HPD has developed an outreach strategy specifically targeting property owners in East Harlem, and we are committed to evaluating and refining this approach.

Current efforts include the following:

Owner Outreach Events. In collaboration with elected officials, community-based organizations, and lenders, HPD hosted a series of events for landlords in CD11 to

provide information about resources that allow them to keep their buildings in good physical and financial health in exchange for preserving affordability.

Mailings, E-mails, and Calls. HPD conducts large-scale and targeted mailings, e-mails, and personal and automated calls to building owners to share information about preservation loan and tax incentive programs. The agency targets owners who are most likely in need of assistance, including owners of buildings with indicators of distress, those with expiring or recently expired tax exemptions, and/or those on the tax lien sale list. Information about HPD's programs is also enclosed with the annual reminder sent to buildings that are required to register with HPD.

Surveying of Distressed Properties. HPD's Neighborhood Planning and Preservation Unit coordinates with the Division of Neighborhood Preservation (DNP) to reach out to owners of distressed buildings to inform them about resources that can help them make repairs and keep rents affordable. DNP conducts "block sweeps" where at least one building is showing signs of distress to proactively identify properties that may need assistance. Depending on the condition of the buildings,

Recent HPD Owner Outreach Events in East Harlem

Date	Type of Event	Co-Sponsors
Aug 2015	Owners' Help Desk	El Barrio's Operation Fightback, Enterprise Community Partners, Community Preservation Corporation
Mar 2016	Landlord Resource Fair	Northern Manhattan Collaborative, Council Speaker Melissa Mark-Viverito, Council Member Inez E. Dickens
Oct 2016	Owner Info Session	Council Speaker Melissa Mark-Viverito
Jun 2017	Landlord Resource Fair	Northern Manhattan Collaborative, Council Speaker Melissa Mark-Viverito, Council Member Bill Perkins, Borough President Gale Brewer, and Community Board 11

the agency will call the owners to familiarize them with HPD's loan products or make referrals for further inspection, litigation, or tenant legal services.

If you would like to recommend buildings to be surveyed, please send the building addresses to hpdproactive@hpd.nyc.gov.

HPD welcomes all opportunities to speak with property owners interested in preserving the physical and financial health of their buildings. If you own property and want to know whether HPD's financing programs might be a good fit, please contact letsinvest@hpd.nyc.gov.

For more information about HPD's financing programs, visit nyc.gov/letsinvest.

Strategy 3 **UPDATED!**

Pilot a Landlord Ambassadors Program to provide technical assistance to East Harlem property owners

In addition to enhanced outreach and education initiatives focused on local property owners, the EHNP identified a need for more sustained technical assistance for mission-driven, faith-based, and small- to mid-sized property owners who are interested in, but unfamiliar with, the process of securing a loan to undertake building improvements.

In response, HPD is partnering with Enterprise Community Partners to pilot a Landlord Ambassadors Program to contract with community-based organizations who will conduct outreach and provide technical assistance to owners of multifamily buildings

7



Project Profile: Hope East of Fifth

The Hope East of Fifth resyndication project closed on new financing in 2016 to extend affordability for residents of 506 apartments across 39 buildings in East Harlem. As part of the transaction, eight different entities affiliated with Hope Community, Inc., transferred ownership to Hope East of Fifth Housing Development Fund Company, Inc. (HDFC). In addition, the HDFC purchased a City-owned property, which Hope Community, Inc., operated for 16 years as a 7A administrator.

This project is using City financing to rehabilitate the properties, including kitchen and bathroom upgrades; roof replacement and/or repairs; window replacement; façade restoration; hot water heater replacement; boiler replacement; plumbing and electrical upgrades; elevator modernization; accessibility upgrades to 26 units for tenants with mobility impairments; and upgrades to 11 units for tenants with hearing and/or vision impairments.



In addition, the borrower entered into a regulatory agreement with HDC and HPD that restricts rents to 50% of AMI for 106 units and 60% of AMI for 392 units, with eight units reserved for superintendents. The regulatory agreement also requires 102 units to be set aside for homeless individuals and families.

in Upper Manhattan (including East Harlem), South/Central Bronx, and Eastern/Central Brooklyn.

The Mutual Housing Association of New York (MHANY) has been designated as the Landlord Ambassador for Upper Manhattan. MHANY will work with local property owners to:

- Provide information about the benefits of using HPD financing programs.
- Navigate HPD program requirements, including regulatory requirements, and package application materials for HPD review and approval.
- Access local resources and vendors needed in order to close, construct, and operate their properties, including contractors, property managers, attorneys, and other professionals.

Timeline: FY 2017-18.



Homeowner Hotline

The Center for New York City Neighborhoods (CNYCN), an HPD partner, operates the Homeowner Hotline, which connects homeowners at risk of foreclosure with free housing counseling and legal services. The Center can also provide information about important tax programs and other resources, including HPD's home repair loans, which help low-income homeowners make critical repairs to their buildings so they can resist pressures to raise rents or sell.

Homeowners in need of assistance can reach the Center by calling 855-HOME-456.

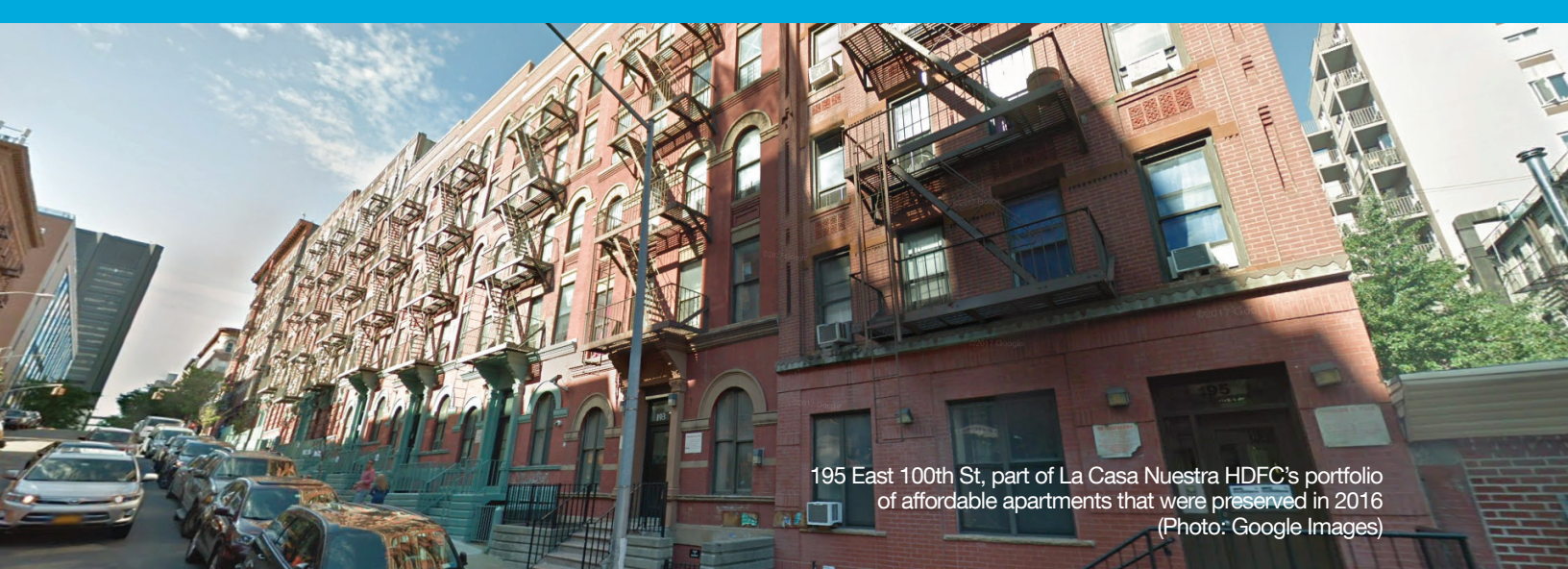
Strategy 4 *UPDATED!*

Fund and support the East Harlem/El Barrio Community Land Trust

In response to growing interest in East Harlem and across the city, HPD issued a Request for Expressions of Interest (RFEI) to identify qualified groups who are interested in forming a Community Land Trust (CLT). A CLT is a non-profit organization that maintains control and oversight of affordable housing through ownership of land, and whose primary purpose is the creation and/or maintenance of permanently affordable housing. The CLT's land ownership, paired with a governance structure that reflects the interests of residents and the broader neighborhood, can offer a unique housing model that empowers communities.

In July 2017, HPD announced an award of \$500,000 from Enterprise Community Partners to Banana Kelly to support the efforts of the East Harlem/El Barrio Community Land Trust. The two-year grant will fund operations and start-up support and is expected to be integrated into the budget of its first rehabilitation project of three buildings in East Harlem. HPD will continue exploring additional opportunities to partner with CLTs in Upper Manhattan.

Banana Kelly is working through the initial predevelopment requirements in order to obtain necessary approvals for a construction loan closing by June 2019. HPD will utilize the Enterprise Community Partners funding, in addition to HPD financing and other sources, to achieve the substantial rehabilitation of certain City-owned buildings in East Harlem under a CLT model. This investment will help secure affordability for existing and new residents in these properties. HPD will maximize deep affordability where feasible.



195 East 100th St, part of La Casa Nuestra HDHC's portfolio of affordable apartments that were preserved in 2016
(Photo: Google Images)

Strategy 5 NEW!

Implement the Neighborhood Pillars Program to help community organizations acquire rent stabilized buildings

HPD and HDC are launching a new Neighborhood Pillars program to finance the acquisition and rehabilitation of existing rent-regulated buildings to protect current tenants and stabilize communities. In fast-changing neighborhoods, the sale of rent-stabilized apartment buildings is often a harbinger of rising rents and tenant turnover. However, non-profit and other mission-based organizations that want to purchase buildings in order to keep them affordable often lack the capital and financing to compete in those transactions.

In response, the new program will leverage funding from private sector banking partners and philanthropic organizations to provide capital to neighborhood-based organizations well positioned to identify the buildings most at risk of speculation and rapid turnover. The City will double the capacity of the Acquisition Loan Fund to \$275 million, leveraging funding contributions from private sector banking partners and philanthropic organizations, to enable non-profits and mission-based organizations to acquire buildings that are rent-regulated, but not otherwise part of an existing affordable housing program.

Anticipated launch: FY 2019.

Strategy 6 NEW!

Invest in capital improvements in New York City Housing Authority (NYCHA) developments within East Harlem

The City will commit \$50 million in capital improvements to:

- Modernize all ventilation in 17 East Harlem developments, including 122 buildings and 12,719 apartments
- Renovate kitchens and bathrooms at the Legget Memorial, Union Carver, Union Washington Early Childhood Centers, and the playground at Jefferson Houses Early Childhood Center
- Fund a new elevator at 335 E 111th Street
- Replace boilers at Lehman Village and Wilson Houses
- Conduct roof and parapet work at UPACA Site 5
- Install new gas risers at Johnson Houses

Anticipated timeline: Designs to commence in Q4 2018.

Promote Safe and Healthy Housing

HPD's Office of Enforcement and Neighborhood Services (OENS) works closely with other HPD divisions and community partners to identify buildings that are in poor condition; assess and develop appropriate strategies to resolve those problems; and develop plans, with responsible owners, to return buildings to firm financial footing and good physical condition.

Strategy 7

Continue to improve housing quality through rigorous enforcement of the Housing Maintenance Code

OENS responds to 311 calls, Housing Court requests, and building referrals by community groups and elected officials by sending inspectors to see if building conditions violate the City's Housing Maintenance Code. If OENS finds such conditions, they issue violations, which require that the owner correct the condition. The most serious conditions must be corrected immediately, while less serious conditions must be corrected within 30 to 90 days. If owners do not correct violations, buildings may enter into one of HPD's enforcement programs.

In Fiscal Year 2017, OENS conducted almost 16,000 inspections and issued 10,772 new violations in East Harlem, performing emergency repairs as necessary to ensure that tenants can remain safely in their homes.

HPD's Housing Litigation Division (HLD) is currently involved in 14 East Harlem-based Housing Court cases on comprehensive litigation to both compel a landlord to repair all open violations on the building and to seek civil penalties where appropriate. There are 11 active Alternative Enforcement Program buildings in CD11.

If your landlord is neglecting repairs in your building or endangering the health and safety of you or your neighbors, please call 311.

Strategy 8

Prioritize the surveying of distressed properties in East Harlem

As part of HPD's focus on East Harlem, and in response to recommendations in the EHNP, OENS prioritized "block sweeps" throughout the neighborhood. Working with the Steering Committee and community advocates, HPD identified buildings and blocks that are experiencing issues with maintenance or other housing-related issues. The Division of Neighborhood Preservation (DNP) then assessed the referred building and all other properties on the same block. HPD takes appropriate action if a building is showing distress, which may include inspections, litigation, loan programs, or referrals to legal services.

Between August 2016 and July 2017, HPD visited 426 buildings in East Harlem. Of the surveys completed, about 20 buildings were identified as distressed and were referred

for further action, including full-building inspection, litigation, and/or continued monitoring. HPD will continue to accept building referrals from East Harlem community groups and survey buildings as needed.

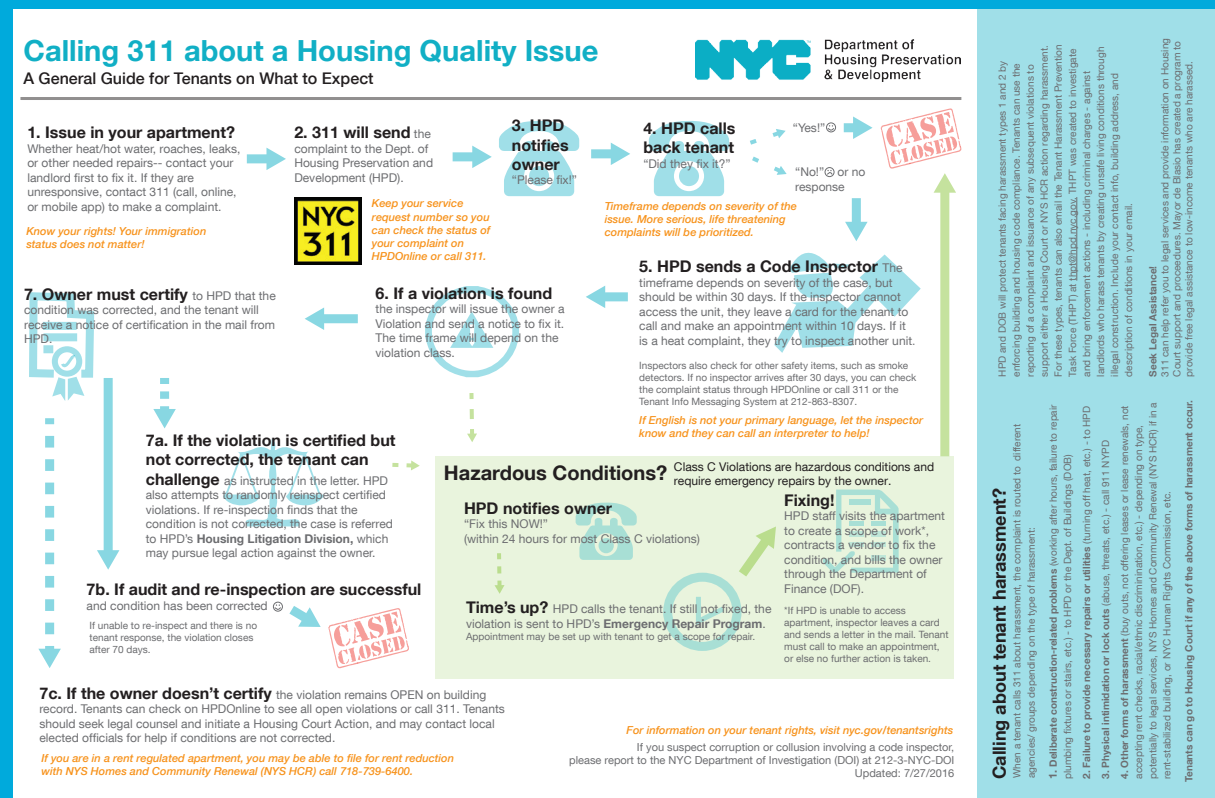
If you would like to recommend buildings to be surveyed, please send the building addresses to hpdproactive@hpd.nyc.gov.

★ Code Enforcement: A Guide on What to Expect

To help demystify the code inspection process, this visual guide describes what happens when a tenant calls 311 to complain about a housing quality issue. The guide is available in English, Spanish, Chinese, and Korean. And in an effort to continue improving customer service, HPD also created an online survey

for tenants to report their experiences with the HPD code enforcement team.

More information can be found on HPD's website: www1.nyc.gov/site/hpd/renters/complaints-and-inspections.page



Protect Tenants

Many low- and moderate-income renters, especially seniors, depend on rent regulation, and those who do are poorer and more likely to have a Black or Hispanic head of household than tenants in unregulated units.⁶ Changes in the state rent regulation laws over the last few decades have resulted in a net loss of over 150,000 rent-regulated units citywide, which means landlords and owners can raise rents to market rates.⁷ The City has worked with tenants, advocates, and the State Assembly to achieve significant reforms in the laws, but more needs to be done to save critical rent-regulated housing.

⁶ HPD Research and Evaluation, 2017

⁷ Rent Guidelines Board



Tenant Support Unit

In East Harlem, many tenants living in rent-stabilized apartments have reported that landlords are trying to push them out by making frequent buy-out offers, neglecting repairs, and/or performing illegal construction work. In response, outreach specialists with the City's new Tenant Support Unit (TSU) are going door-to-door in East Harlem, informing tenants of their rights, documenting complaints related to harassment and eviction, and making referrals to free legal support whenever necessary. As of October 2017, TSU specialists in East Harlem have knocked on over 28,000 doors and assisted over 1,500 tenants in East Harlem.

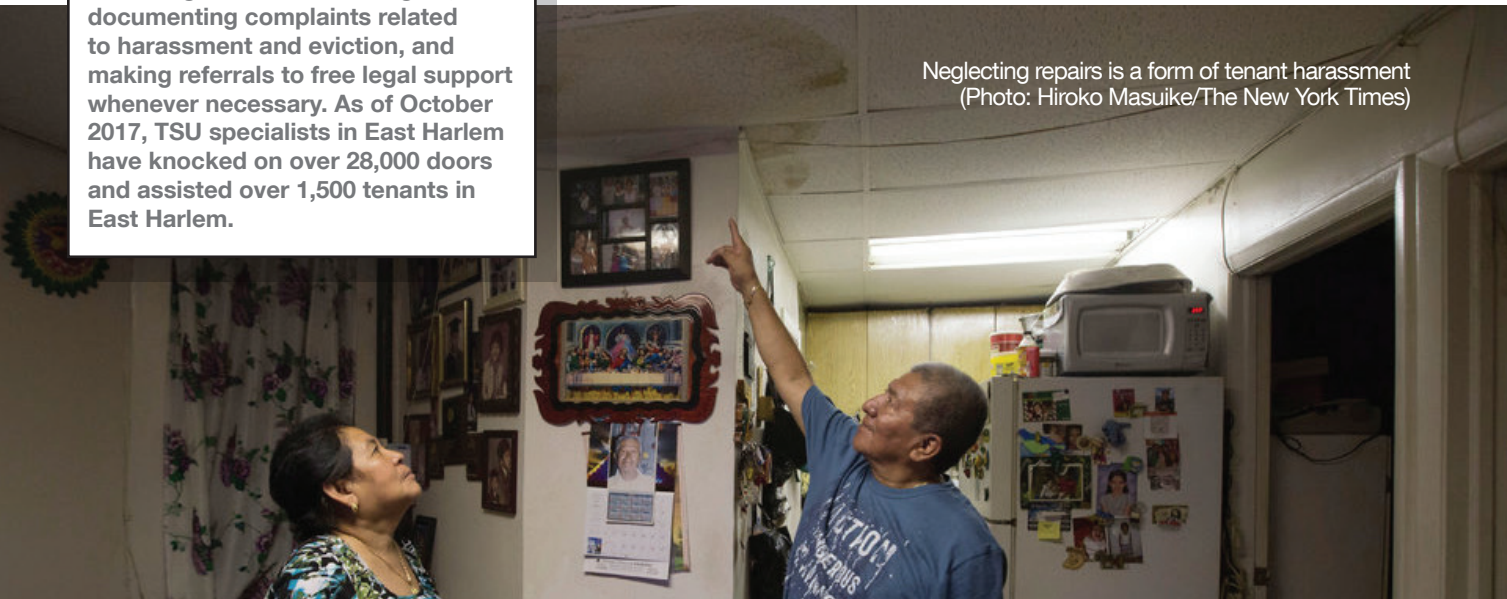
Strategy 9

Continue to provide free legal representation to East Harlem tenants facing harassment

To support tenants who are facing eviction or harassment, the City has expanded funding for civil legal services for low-income New Yorkers. This includes more than \$60 million in legal services for low-income tenants, which is a tenfold increase in Mayoral funding for tenant legal services since FY 2013. While only one in 100 tenants had lawyers in 2013, one in four was represented as of April 2016. During this period, evictions by City marshals dropped by 24%.

In East Harlem, the City's Human Resources Administration (HRA) launched the tenant legal services program in FY 2015. HRA is investing \$4.6 million to serve approximately 1,900 households in East Harlem annually, and funding is fully secured through FY 2021. The program focuses on ensuring that tenants can stay in their neighborhood by providing access to legal representation that is both proactive – i.e., working with residents and tenant associations to identify patterns of harassment – and responsive to evictions and other cases tenants may face in court.

Neglecting repairs is a form of tenant harassment
(Photo: Hiroko Masuike/The New York Times)



In February 2017, the Mayor announced that the City will fund universal access to legal services for tenants facing eviction in Housing Court. Through a five-year implementation plan, free legal representation will be available to all tenants with household incomes at or below 200% of the federal poverty line, or roughly \$50,000 for a four-person family. Legal counseling will be available to those earning more. The City estimates that approximately 400,000 New Yorkers will be served under the program every year at full implementation.

If you feel that you are the victim of harassment and would like to consult with a legal services provider, please call the Tenant Protection Hotline at 917-661-4505.

If you are falling behind on your rent and at risk of becoming homeless, please call 311 to be connected with a local HomeBase Center, which can provide emergency rental assistance.

Strategy 10

Educate tenants about their rights and resources to prevent displacement

HPD is committed to working with partner agencies, elected officials, and community groups to ensure tenants are aware of their rights and have access to important housing resources. HPD's Neighborhood Education and Outreach Unit hosts tenant fairs and coordinates HPD and other agency participation in community events, where they provide information about tenants' rights, legal services, rental assistance programs, the affordable housing application process, and other topics. The team also coordinates the distribution of multilingual housing resource materials. In addition, through its discretionary awards and Neighborhood Preservation Consultant contracts, the City Council and HPD

provide critical funding to community-based organizations to promote tenant resources and deliver services, including financial counseling, legal clinics to prevent eviction, education and advocacy, tenant organizing, and emergency assistance.

Community-based organizations can request materials or discuss HPD participation in an event by contacting Pam Glaser at glaserp@hpd.nyc.gov.

Strategy 11

Continue to work with the Tenant Harassment Prevention Task Force to investigate and take action against landlords who harass tenants

The Administration helped to create an interagency, multi-jurisdictional Tenant Harassment Prevention Task Force (THPT) to investigate and bring enforcement actions – including criminal charges – against landlords who are found to be harassing tenants by creating unsafe living conditions through illegal construction. The THPT primarily handles matters that impact a large number of rent regulated tenants where actions by an owner may rise to criminality. Through referrals made by HPD's OENS and community-based organizations, among other sources, the Task Force is investigating landlords that tenants claim are using a variety of tactics, including disruptive and dangerous renovation and construction projects, to force tenants to vacate rent-regulated apartments. HPD will continue to work with the THPT to take action against landlords in East Harlem who are harassing tenants.

Please refer allegations of harassment by directly to the Task Force at thpt@hpd.nyc.gov.

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Strategy 12 UPDATED!**Establish a Certification of No Harassment (CONH) Pilot Program**

In response to the EHNP and growing interest across the city, the Administration, pursuant to legislative authorization, will enforce a pilot CONH program in designated neighborhoods, including East Harlem, to protect certain tenants from being harassed from their homes. This program will identify specific buildings which meet criteria indicating that tenants may be at risk for harassment. Owners of such buildings would be required to obtain a CONH before being granted building permits for specified covered work in the buildings.

Anticipated launch: Within one year of legislation passage.

Strategy 13 NEW!**Include East Harlem in the new “Partners in Preservation” initiative to develop a comprehensive anti-displacement strategy for the neighborhood**

The City has committed to \$500,000 to launch a pilot of HPD’s new Partners in Preservation initiative in East Harlem. Representing HPD’s most aggressive and targeted efforts to date, Partners in Preservation will pair HPD’s available data with the on-the-ground experience and work of community-based organizations to advance comprehensive anti-displacement plans in neighborhoods identified as most at risk of losing affordability. Strategies are expected to combine new and existing tools to address harassment and disrepair; provide tenants with anti-eviction legal services; protect homeowners from foreclosure and predatory activities; and help building owners access HPD financial resources to improve their buildings and preserve affordability.

Anticipated timeline: FY 2019.

**New Legislation to Combat Tenant Harassment**

In addition to the Certification of No Harassment program, between August and November 2017, the New York City Council approved a number of other bills to combat tenant harassment:

Intros 1530-A, 1548-A, 1549-A, 347-A, and 1556 make it easier for tenants to prove harassment, make it possible for victims of harassment to recover damages and reasonable attorney fees, and double penalties for tenant harassment violations.

The Stand for Tenant Safety Package is series of bills that will increase penalties and enforcement

against dangerous construction, expand DOB oversight of rent-regulated buildings, increase tenant protections as they relate to construction, and provide measures to increase tenant awareness of illegal construction practices.

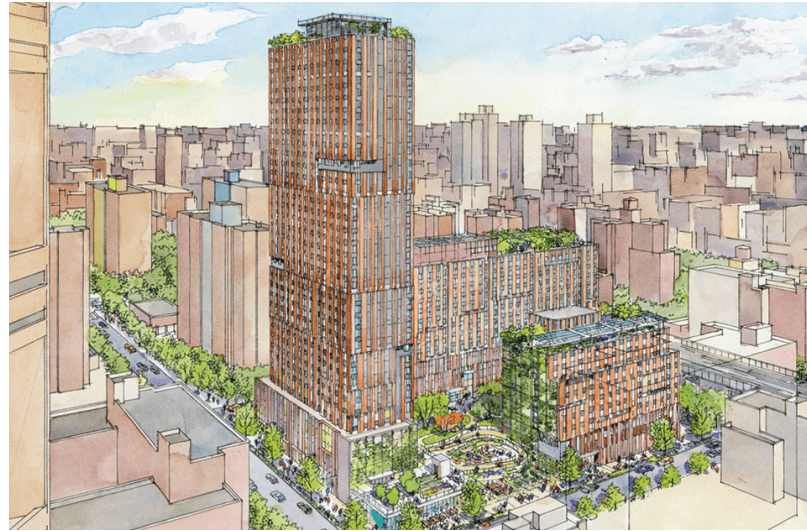
Intro 1210-A, better known as the Predatory Equity Bill, calls for HPD to publish a “Speculation Watch List,” identifying recently sold rent-regulated buildings where tenants are at risk of displacement due to potentially predatory investors.

02 Develop New Affordable Housing

Protecting residents who want to remain in East Harlem is our number one priority. However, to accommodate a growing population and ensure that a shortage of housing does not drive rents higher, we must ensure that the supply of housing also increases, and that any new housing built includes permanently affordable homes.

The City has made enormous progress in creating new affordable housing. Since the release of Housing New York, we have financed or incentivized the construction of 24,293 homes – representing the largest number of affordable units created over any three-year period in the city’s history. Yet despite this headway, only 844 new affordable homes, or 3% of those citywide, started construction in East Harlem during the same three-year period.

In order to meet the intense demand for new affordable housing in East Harlem, the City will prioritize the construction of approximately 2,600 affordable homes and other community resources on publicly owned land. In addition, the implementation of Mandatory Inclusionary Housing (MIH) along the major neighborhood corridors has the potential to facilitate the construction of approximately 1,000-1,200 permanently affordable homes on privately owned sites. Finally, HPD will continue to seek out partnerships with non-profit and for-profit developers interested in developing affordable housing on privately owned land, but only where they commit to exceeding the minimum MIH requirements.



Sendero Verde, a 100% affordable, mixed-use development in East Harlem, is expected to be the nation’s largest residential Passive House

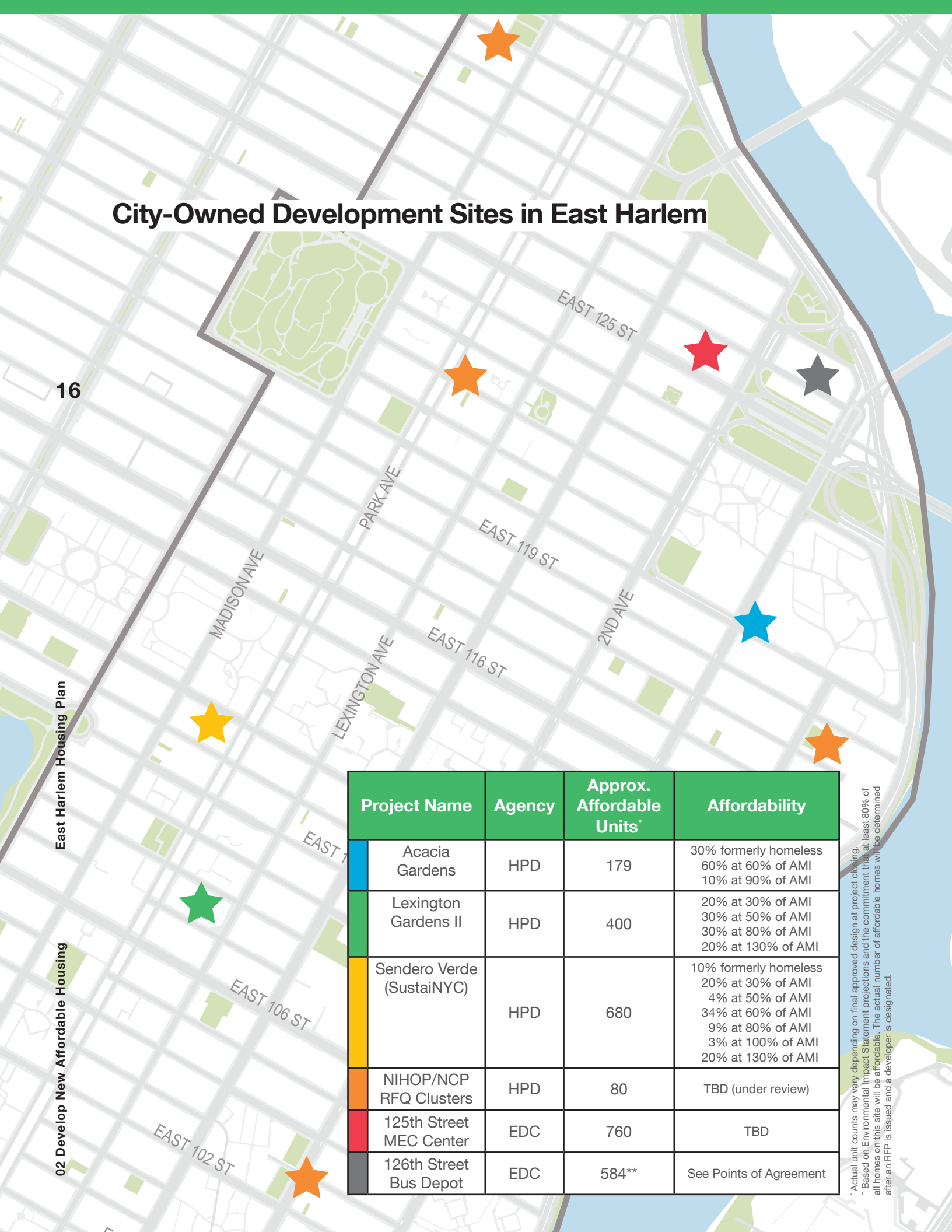
Strategy 1 **UPDATED!**

Prioritize the development of over 2,600 affordable homes on publicly owned land

The City will expedite the construction of over 2,600 units of affordable housing on publicly owned sites in East Harlem over the next several years. A few of these projects – such as the MEC Center and NIHOP/NCP RFQ Clusters – have been in development for some time, while others are being prioritized based on feedback from the community.

In response to the EHNP, the City committed to deeper levels of affordability for the Lexington Gardens II, Sendero Verde (SustainNYC), and the 126th Street Bus Depot sites, where at least 20% of all units will be set aside for households earning up to \$20,040 for an individual or \$25,770 for a three-person family (30% of AMI). The Acacia Gardens project, which is already under construction, will primarily serve low-income and formerly homeless households.

City-Owned Development Sites in East Harlem



Project Name	Agency	Approx. Affordable Units*	Affordability
Acacia Gardens	HPD	179	30% formerly homeless 60% at 60% of AMI 10% at 90% of AMI
Lexington Gardens II	HPD	400	20% at 30% of AMI 30% at 50% of AMI 30% at 80% of AMI 20% at 130% of AMI
Sendero Verde (SustainNYC)	HPD	680	10% formerly homeless 20% at 30% of AMI 4% at 50% of AMI 34% at 60% of AMI 9% at 80% of AMI 3% at 100% of AMI 20% at 130% of AMI
NIHOP/NCP RFQ Clusters	HPD	80	TBD (under review)
125th Street MEC Center	EDC	760	TBD
126th Street Bus Depot	EDC	584**	See Points of Agreement

* Actual unit counts may vary depending on final approved design at project closing.
 ** Based on Environmental Impact Statement projections and the commitment that at least 80% of all homes on this site will be affordable. The actual number of affordable homes will be determined after an HFP is issued and a developer is designated.

Strategy 2 *NEW!*

Prioritize additional public sites for affordable housing development

The community identified additional publicly owned sites that are currently in use by City agencies but may be appropriate for redevelopment with affordable housing. While many of these properties serve critical community functions, HPD is actively working with its partner agencies to evaluate potential relocation and incorporation into new affordable housing development on-site. HPD will conduct community engagement to inform the redevelopment of these properties through a Request for Proposals (RFP) process. The selection process for these RFPs will be subject to recent policy reforms.

HPD also recently revised the terms of its Extremely Low and Low Income Affordability (ELLA) and Mix and Match financing programs, to provide more homes for the lowest earners and to require that a portion of all homes be set aside for formerly homeless families. In addition, the City will seek to maximize the number of affordable homes, as well as the depth of affordability, as determined to be feasible for the redevelopment these sites.

HRA East Harlem Multi-Service Center (Site 1)

The NYC Human Resources Administration (HRA) East Harlem Multi-Service Center is located on East 120th Street between 1st and Pleasant Avenues. The project will include affordable housing and may include new community/office space for Multi-Service Center tenants. RFP respondents must submit a tenant relocation plan, and the City will work with the selected developer to temporarily relocate existing non-profit tenants of the Multi-Service Center and possibly bring back select tenants to the new building.



Recent Reforms to Requests for Proposals

HPD recently implemented new policy reforms to its Requests for Proposals (RFP), which include a preference for teams with community development plans and/or experience; recognition of development experience in rehabilitation; and the use of a remainder interest, which is a legal tool that gives the City ownership of the property at the end of the initial affordability period unless HPD and the owner agree on an extension of affordability.

NYPD 25th Precinct Parking Lot (Site 2)

The New York Police Department (NYPD) 25th Precinct is located on 119th Street between Park and Lexington Avenues and includes a large surface parking lot fronting Park Avenue. The Precinct uses 75 parking spaces on a daily basis, including emergency response, school safety, and other vehicles. The project will include affordable housing and a new parking garage for NYPD vehicles.

DSNY 123rd Street Parking Lot (Site 3)

The Department of Sanitation (DSNY) occupies a large surface parking lot on the north side of 123rd Street between Lexington and 3rd Avenues. The site is currently used as vehicle storage, including for large DSNY salt and other utility trucks, and it is expected to host additional spillover vehicles from the new Potamkin garage. The City will explore the feasibility of redeveloping this site with

affordable housing and a new garage for DSNY vehicles in 2018. Any future RFP would need to be subsequent to a relocation site being identified and any related land use approvals completed.

Urban Assembly School (Site 4)

The City will periodically evaluate the financial and operational feasibility of rebuilding the school at 2005 Madison Avenue to include a state of the art school building as well as affordable housing, taking into account the needs of the existing schools in the

building (Urban Assembly School for Global Commerce and Promise Academy II Charter School) before, during, and after any possible construction on the site.

Timeline: In 2018, HPD will conduct due diligence, assess feasibility, and conduct community engagement to inform the redevelopment of Sites 1-2. The agency will target Q2 2019 for release of the RFPs for Sites 1-2. RFPs for Sites 3-4 will be released pending confirmation of feasibility.



Project Profile: Sendero Verde

The City recently announced the designation of the publicly owned SustainNYC development site on East 111th Street to a team led by Jonathan Rose Companies, L+M Development Partners, and the Acacia Network. The 100% affordable project, Sendero Verde, will include approximately 680 affordable homes, of which half will be permanently affordable.

The project will also include a Harlem RBI/Dream Charter School, Union Settlement community programs, a new YMCA, a Community Health Center operated by Mount Sinai, new retail space, and community gardens. Sendero Verde will be the largest residential Passive House project in the nation and, when complete, is projected to use up to 70% less energy than a standard building of its kind.

The original Request for Proposals (RFP) was created through a collaborative outreach effort organized by HPD, Speaker Melissa Mark-Viverito, Borough President Gale Brewer, and Manhattan Community Board 11 to engage community members around their vision for development on the site.

Consistent with the goals outlined in the Community Visioning Workshop Report and the EHNP, approximately 20% of the apartments in this development will serve extremely low-income



households earning up to \$20,040 for an individual and \$25,770 for a household of three. The development plan offers deeper affordability by guaranteeing over 60% of the apartments will serve low-income households with an individual earning no more than \$40,080 and a household of three earning no more than \$51,540 annually. The remaining units will be affordable to middle-income households earning up to \$86,840 for an individual and \$111,670 for a household of three.⁸

⁸ Incomes shown are for one- and three-person households to help illustrate a sample range of incomes according to the 2017 HUD Income Limits.

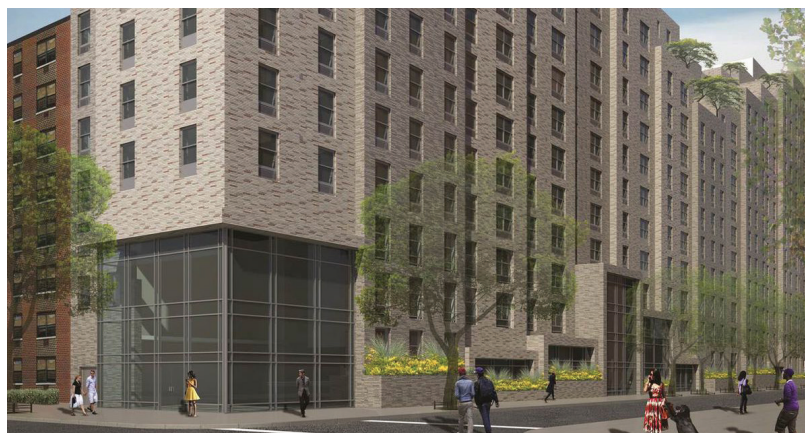
Strategy 3 **UPDATED!**

Implement Mandatory Inclusionary Housing to require that all new residential development include permanently affordable homes

The Mandatory Inclusionary Housing program (MIH) requires developers to provide permanently affordable housing in new buildings whenever land is rezoned for increased or new residential development. By creating housing for people earning a range of incomes in every new building, MIH ensures that neighborhoods remain diverse as they grow.

The MIH options selected for East Harlem are Options 1 and 3. Residential developments in the rezoning areas along Lexington, Park, Second, and Third Avenues, as well as East 116th Street, will be required to set aside 20% to 25% of all units as permanently affordable, and at levels that are much more affordable than current asking rents.

MIH Option 1 requires a set aside of 25% of units to be permanently affordable. Developers must rent comparable two-bedroom apartments at an average⁹ of about \$1,200 per month, which would be affordable to a family of three earning up to \$51,540.¹⁰ It also requires



Lexington Gardens II will include 400 affordable homes for low- to moderate-income households (160 of which will be permanently affordable), ground floor retail, and a state-of-the-art facility for Northside Center, a local non-profit that serves children and families living in poverty.

a minimum of 10% of units to be set aside at even lower rents: \$736 per month for a two-bedroom unit, which would be affordable to a family of three earning up to \$34,360.¹⁰

MIH Option 3 requires a 20% set aside, but at deeper affordability levels. Developers must rent comparable two-bedroom apartments at an average of about \$736 per month, which would be affordable to a family of three earning up to \$34,360.¹⁰ Subsidy is allowed only if more affordable housing is provided.

Mandatory Inclusionary Housing Options Available in East Harlem

MIH Option	Affordable Housing Set-Aside	Area Median Income (AMI)	Maximum Annual Income (example for a family of three, 2017)	Sample Rent (for a 2-bedroom unit, 2017)
1	25%	60% of AMI (on average) ⁹	\$51,540 (on average)	\$1,166
	with 10% required at:	40% of AMI	\$34,360	\$736
3	20%	40% of AMI (on average) ⁹	\$34,360 (on average)	\$736

⁹ Developers can provide a range of low to moderate income tiers, as long as the rents of the affordable units achieve the required average AMI.

¹⁰ Rents and incomes are examples based on MIH program requirements and 2017 HUD Income Limits.

Strategy 4 *UPDATED!***Continue to offer financing to incentivize the development of affordable housing that exceeds minimum MIH requirements**

HPD aims to affirmatively further fair housing and economic diversity by financing the development of housing that is affordable to families with a range of incomes and needs. HPD's financing programs have options that provide for extremely low- to middle-income households, as well as for seniors and households with special needs. HPD's new Our Space program, for example, creates housing for homeless families where rents can be set as low as the public assistance shelter allowance.

HPD is committed to working with owners of privately owned property in East Harlem

who may be interested in affordable housing development. However, subsidies will only be offered where the developer agrees to exceed the minimum MIH requirements by providing additional affordable units, additional units targeting the lowest incomes, or additional permanently affordable units. HPD recently updated its financing terms to require that any MIH project receiving City subsidy must provide 15% more permanently affordable homes than required by MIH alone.

HPD welcomes any opportunity to talk or meet with property owners interested in developing affordable housing. For more information about HPD's financing programs, including contact information for program managers, visit nyc.gov/development-programs.

Developers who request HPD financing are expected to present their proposals to the

**Revised Term Sheets for Deeper Affordability**

In his 2017 State of the City address, Mayor de Blasio announced the allocation of an additional \$1.9 billion in capital funding to increase the number of affordable homes for families earning less than \$43,000 per year. As part of its implementation strategy, in Spring 2017, HPD revised the terms of its Extremely Low and Low Income Affordability (ELLA) and Mix and Match financing programs, which are two commonly used programs in East Harlem, to provide more homes for the lowest earners and also require that a portion of all homes are set aside for formerly homeless families. These changes were made in response to advocacy from organizations and elected officials in East Harlem, as well as others from around the city. Key updates include:

- Requiring 40% of all apartments in the ELLA program to serve extremely low and very low incomes (those making less than \$25,770 up to \$42,950 for a three-person family), as well as

requiring and incentivizing deeper affordability under the Mix and Match program

- Requiring a 10% set aside for homeless families and individuals in every project, while still providing units for extremely low and very low income households
- Encouraging the incorporation of senior or supportive housing
- Increasing the number of permanently affordable units where HPD has strong leverage (in MIH projects or those with higher subsidy needs)
- Achieving a greater mix of incomes within individual projects, which contributes to their long term sustainability and allows for projects to provide more units for low earners

local community board for review as part of the predevelopment process – regardless of whether or not they will require zoning approvals. Community members can consult [Community Board 11 meeting agendas](#) or call the Community Board 11 office at 212-831-8930 for information about upcoming presentations.

Strategy 4

Support mission-driven groups interested in developing affordable housing on underutilized sites

The EHNP expressed a desire to see more participation by mission-driven organizations in affordable housing development and preservation. To assist those interested in affordable housing, a number of resources are available:

- HPD maintains a [Pre-Qualified List of Owner's Representatives](#) to help mission-driven organizations who may have underutilized land but little to no real estate experience. In creating the list, HPD evaluated each organization's technical expertise, experience, and capacity to represent owners in the development of affordable housing.
- The [New York City Acquisition Fund](#) offers preferred rates and terms to organizations, including non-profits, to acquire existing buildings and development sites.
- The [NYC Office of Environmental Remediation](#) offers grants to mission-driven organizations to study redevelopment options for vacant sites.



Acacia Gardens will include 179 affordable homes for low-income and formerly homeless households, with some units for moderate-income households

Strategy 5

Explore opportunities to finance the development of affordable artist housing

As part of Housing New York, the City committed to building 1,500 affordable apartments for artists. Consistent with goals of the EHNP, HPD will review proposals from developers in East Harlem seeking to build or preserve artist housing, live/work spaces, or traditional affordable housing integrated with studio and performance spaces. The City will also explore artist housing on future public sites if desired by the community.



Reforming how Vacant Land is taxed

As part of HNY 2.0, the City will explore how the tax classification and assessment methodologies of privately-owned vacant land can be changed to incentivize owners to make their sites productive, as well as disincentivize speculators from holding land off the market.

03 Increase Access to Affordable Housing

Over the last several years, HPD has worked with community partners to better understand the needs of affordable housing applicants and made improvements to the overall application process.

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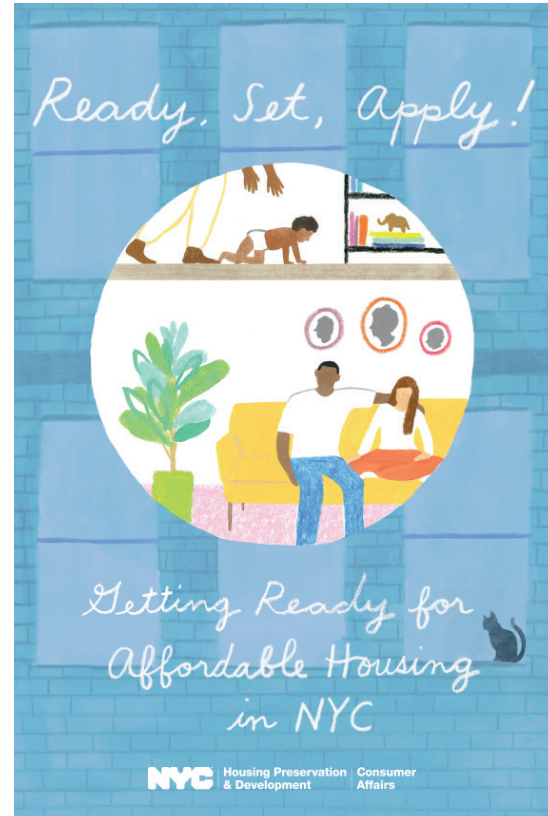
HPD is committed to continually improving access to affordable housing, such as by making it easier for residents to complete the application process, better advertising open lotteries, and refining marketing guidelines to qualify a broader range of applicants.

Strategy 1 **UPDATED!**

Make it easier for residents to understand, prepare for, and complete the affordable housing application process

HPD recognizes that the affordable housing application process can be time-consuming, and we continue to take steps to help residents become better prepared to submit complete and accurate applications. HPD already has several initiatives underway:

- HPD's [Housing Ambassadors Program](#) trains local community groups to provide free technical assistance to residents who wish to apply for affordable housing. HPD staff or Housing Ambassadors can also be available to participate in community events to assist residents with general questions about the affordable housing lottery and application process. In the last year, HPD has trained four Housing Ambassadors in East Harlem.
- HPD also created an [Affordable Housing Guide for Applicants with Disabilities](#), which is available in nine languages, including Braille.



- HPD is working with local groups to distribute a new brochure – [Ready, Set, Apply!](#) – created in partnership with the NYC Department of Consumer Affairs' Office of Financial Empowerment (DCA-OFE) and the Center for Urban Pedagogy, to guide tenants on how to prepare for the affordable housing application process.
- HPD recently created a [Video Guide](#) on how to apply for affordable housing.
- HPD is in engaging in a large-scale project to redesign the [Housing Connect](#) website to improve the marketing process from advertising through lease-up. Improvements are expected to include: a tailored applicant experience, strategies

to help residents complete more accurate applications, and the creation of a more streamlined, efficient application process.

- The agency has made changes to the project advertisement template to include information for those with rental subsidies and about new asset limit policies.

Strategy 2

Better advertise open housing lotteries

Community groups and elected officials can be alerted to open lotteries and help spread the word to their constituents. If you are an organization interested in receiving notifications for open lotteries, you can sign up on Housing Connect. HPD also advertises the lotteries on Facebook and Twitter ([@NYCHousing](#)).

Advertisements are available in English, Spanish, Chinese, Korean, Arabic, Russian, and Creole.

In addition to digital notifications, developers are required to advertise open lotteries at the construction site. The Department of Buildings requires developers to post a phone number that interested applicants can call in order to be placed on an inquiry list. Once the lottery is open, HPD requires the developer to post the marketing on the construction site and alert all applicants on the inquiry list. Instructions on how to apply online or receive a paper application in the mail are also provided in seven languages. HPD continues to explore ways to improve language access for advertisements and is open to community suggestions.



Recruiting Housing Ambassadors!

Housing Ambassadors are community-based organizations and service providers, trained by HPD, who help people prepare and apply for affordable housing. HPD is recruiting more organizations to serve as Housing Ambassadors in East Harlem and throughout the city.

Current Housing Ambassadors in East Harlem include the 116th Street Block Association, Inc., Hope Community Inc., the East Harlem Council for Community Improvement (EHCCI), and the Wheeling Forward/The Access Project (for people with disabilities).

If you know of a group that might be interested in becoming a Housing Ambassador, please contact ambassadors@hpd.nyc.gov.

Visit nyc.gov/housing-ambassadors for a list of current Housing Ambassadors and their contact information.



Strategy 3**Continue to refine marketing guidelines to reach New Yorkers most in need**

HPD is working to remove barriers to qualifying for affordable housing, such as poor credit or prior experience with Housing Court. For example:

- HPD's new [Tenant Selection Criteria](#) do not allow for applicants to be rejected based on credit score alone, but rather developers must review a more complete credit history and follow strict rules if using the information to disqualify an applicant.
- [DCA-OFE](#) offers free financial counseling to help applicants prepare for housing searches and applications. When applicants are denied on the basis of credit history, they receive a letter that connects them to OFE's resources.
- Applicants cannot be disqualified simply because they have been involved with Housing Court. Only in certain serious circumstances, involving for-cause eviction and judgments of possession, can Housing Court history be used for disqualification.
- HPD has worked with community groups to better understand local needs and continues to accept feedback in order to update marketing guidelines appropriately. HPD and developer partners must comply with all federal and local fair housing laws.

**Ensuring Fair and Equal Opportunity**

Developers creating City-sponsored affordable housing are required to follow HPD/HDC marketing and tenant selection guidelines and procedures to ensure that the process is fair and provides equal opportunity to all applicants, regardless of race, color, religion, gender, sexual orientation, gender identity or expression, national origin, age, genetic information, disability, or veteran status. In addition, the process should affirmatively further fair housing by promoting racial, ethnic, income, and geographic diversity among residents and within the neighborhood, and by prioritizing applicants with mobility, vision, or hearing disabilities who require accessible/adaptable design.

HPD or HDC must approve each developer's plan to advertise and market available affordable apartments. If marketing plans are found to be insufficient or do not follow the rules for fair housing marketing, the agency will require the developer to modify.

Please refer questions or issues related to the marketing process directly to HPD at hpdcpliance@hpd.nyc.gov. Please note that individuals wishing to appeal a lottery rejection must follow the instructions on the rejection letter, which specifies whom to contact and how.

04 Promote Economic Opportunity

HPD is committed to leveraging its investments in affordable housing to create local jobs and strengthen small businesses.

In partnership with the Department of Small Business Services (SBS) and Economic Development Corporation (EDC), HPD is implementing a host of new programs and requirements to promote economic opportunity through affordable housing development.

Strategy 1

Connect residents to good jobs in the building trades through the Upper Manhattan Workforce1 Career Center

One of the largest and most impactful targeted hiring programs in the nation, HireNYC enables the City to use its investments to connect more New Yorkers to good jobs and help local businesses find skilled workers. HireNYC now requires that any housing development receiving \$2 million or more in HPD subsidy post open positions with the Workforce1 system and consider qualified candidates. East Harlem residents will be able to apply for jobs through the City's HireNYC program at the Upper Manhattan Workforce1 Center located at 215 West 125th Street. In addition, The City commits to establishing a satellite Workforce1 Career Center in East Harlem in a location accessible to the public and developed with input from the community and local Council Members.

Strategy 2

Expand local hiring incentives in HPD-financed developments

In all HPD Requests for Proposals for the development of City-owned property,

respondents must demonstrate a plan for outreach to residents of the local community district related to employment opportunities generated by the proposed project. Outreach may be demonstrated by activities such as training programs, job placement activities, the applicants' own staffing practices, and/or the applicants' contracting practices. Applicants will be required to comply with their outreach plans and report regularly on outreach activities.

Strategy 3

Expand opportunities for Minority and Women-Owned Business Enterprises (M/WBEs) in the affordable housing development industry

HPD is committed to promoting the participation of M/WBEs and non-profit organizations in the development and management of City-subsidized affordable housing.

Through the Building Opportunity Initiative, HPD seeks to:

- Build the capacity of M/WBE and non-profit developers through professional development, networking, and mentoring programs. The [Building Capacity Workshop Series](#) introduces M/WBE and non-profit developers to best practices in affordable housing development, from site selection and project financing to construction and property management.
- Improve access to capital for M/WBE developers with low-cost financing options for site acquisition and predevelopment costs through the [New York City Acquisition Fund](#), which offers flexible bridge loans for the purchase of vacant sites or occupied buildings, predevelopment, and moderate rehabilitation.

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- Enhance the ability of M/WBE developers to compete more effectively for HPD support by providing targeted new construction and preservation opportunities. For example, in January 2017, HPD designated six sites to M/WBE developers through the [M/WBE Building Opportunity RFP](#).
- Expand the use of M/WBE construction contractors and professional service providers on HPD-financed development projects through the [M/WBE Build Up Program](#). This new program requires developers of projects where HPD contributes \$2 million or more in subsidy to spend at least a quarter of all HPD-supported costs on certified M/WBE construction, design, or professional service firms.

Strategy 4

Ensure affordable housing development contributes to a healthy and diverse retail environment in East Harlem

SBS worked in partnership with the New Harlem East Merchants Association, Union Settlement Association, and Hope Community Inc. to conduct a [Neighborhood 360° Commercial District Needs Assessment](#) (CDNA) of East Harlem commercial corridors along 106th, 110th, 116th, and 125th Streets, as well as First, Third, and Lexington Avenues.

The Neighborhood 360° CDNA includes analysis of the existing business landscape, consumer characteristics, physical environment, and unique character of East Harlem to help SBS and its partners better understand the needs of the local commercial corridors and develop



East 116th Street between Second and Third Avenues (Photo: Courtesy of SBS)

recommendations to foster a healthy retail mix. HPD will share the assessment with anyone proposing to develop affordable housing in East Harlem and ask that they consider the retail and community facility needs of the community in selecting tenants for ground-floor commercial or community space.

In addition, in Spring 2017, SBS announced \$1.49 million in Neighborhood 360° grants to Union Settlement Association and its local partners to staff, plan, and implement customized commercial revitalization programs informed by the CDNA over the next three years. Initial projects will include sidewalk cleaning services, banner and planter installations, a business marketing campaign, business support workshops, shop-local events, merchant organizing, and cultural programming to promote small business growth and quality of life in East Harlem.

Track and Report

HPD is committed to regularly reviewing and reporting on the changing needs in East Harlem to test how our strategies are being implemented and evaluate whether the fine-tuning of policies or programs is required.

In coordination with the Mayor's Office of Operations, HPD will annually report on the strategies of the East Harlem Housing Plan, including housing development and preservation activity in CD11. The following data will be made available:

- Project location
- New construction or preservation
- Number of units
- Affordability levels
- Rental or homeownership
- Start/completion dates

Every three years, HPD will also publish demographic and housing analyses, using the Housing and Vacancy Survey,¹¹ to evaluate neighborhood changes and determine whether policy refinements or new tools are needed.

¹¹ The New York City Housing and Vacancy Survey is conducted every three years by the U.S. Census in coordination with HPD to comply with the New York State and New York City's rent regulation laws.