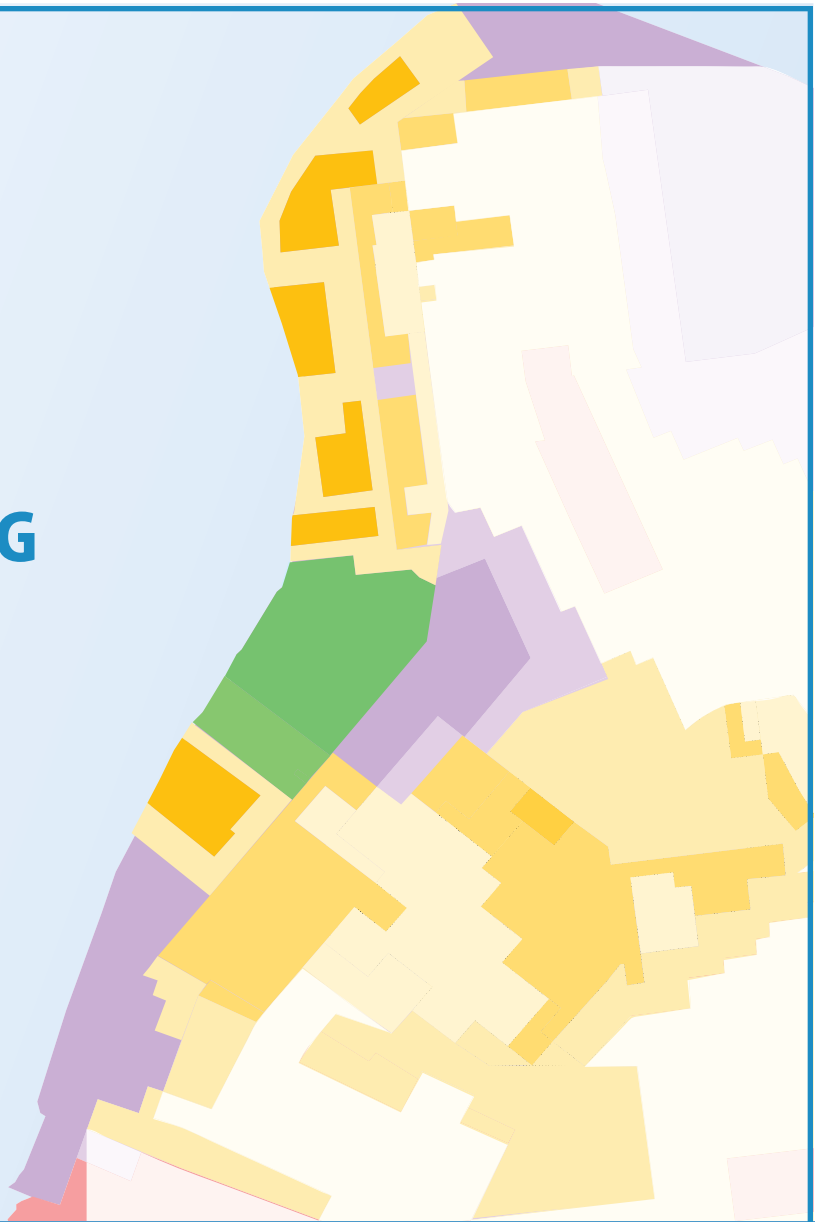


# GREENPOINT- WILLIAMSBURG

## INCLUSIONARY HOUSING PROGRAM



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Housing Preservation  
& Development

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## INTRODUCTION



The comprehensive rezoning of Greenpoint-Williamsburg, approved in May 2005, sets the stage for the renewal of a vacant and underutilized stretch of the Brooklyn waterfront, and for the continuing revitalization of these vibrant neighborhoods. It reclaims two miles of long-neglected East River waterfront to create over 50 acres of open space, including a continuous public esplanade and a new 28-acre park surrounding the Bushwick Inlet. The plan creates new opportunities for thousands of units of much-needed housing, including affordable housing, within a detailed urban design plan that addresses the scale of the existing neighborhoods. The rezoning also facilitates local commercial development, and promotes light industrial activity in appropriate areas.

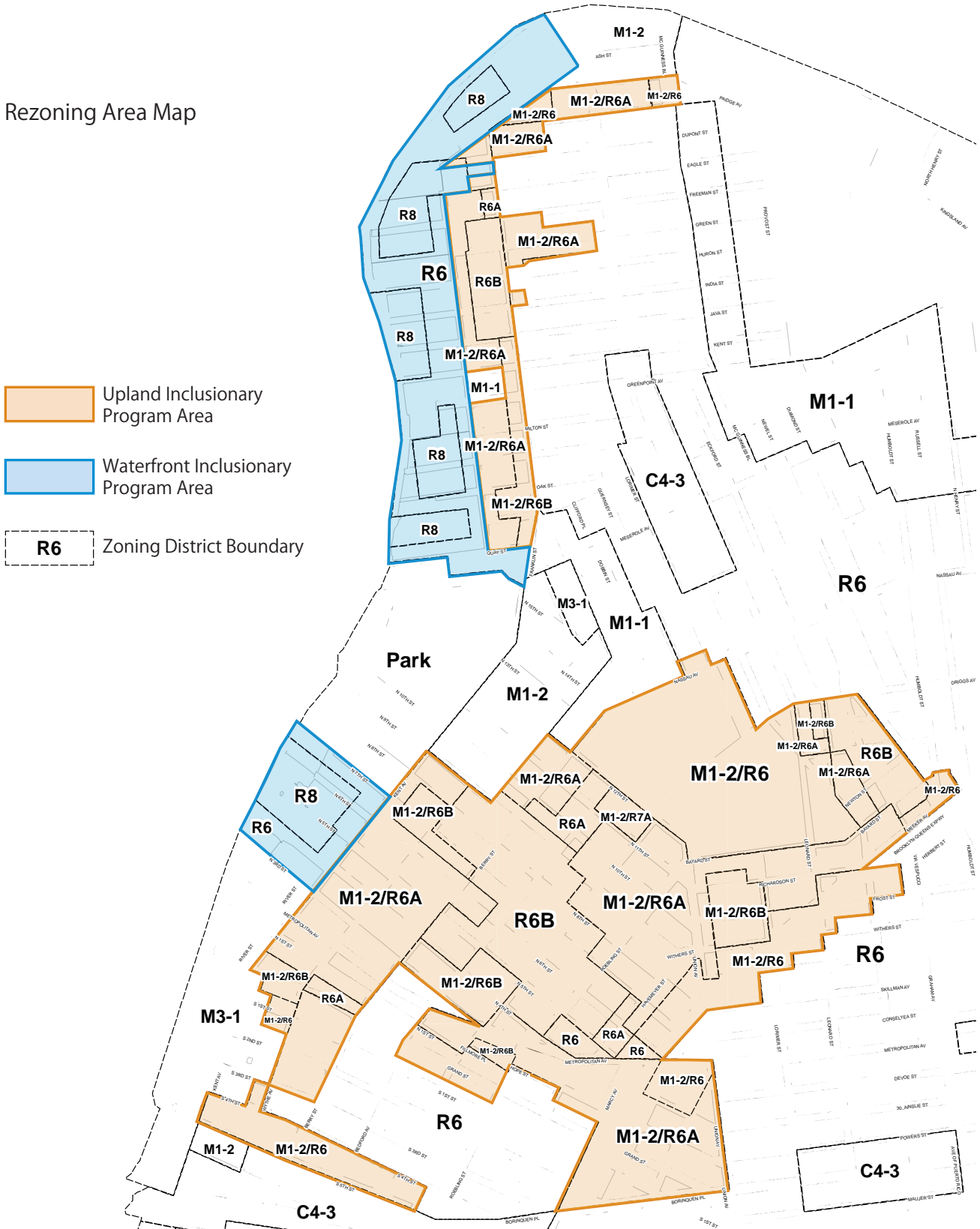
The zoning changes include a new Inclusionary Housing program, which represents a groundbreaking approach to the creation of affordable housing in Greenpoint-Williamsburg. Under this program, developments providing affordable housing are eligible to develop additional floor area, within height and bulk regulations tailored specifically to each district. Affordable units can be provided either on the same site as the building receiving the bonus, or off-site either through new construction or preservation of existing affordable units. City, state, and federal programs can be used to build the affordable housing that generates the zoning bonus.

The Greenpoint-Williamsburg rezoning and the new Inclusionary Housing program respond to the issues targeted by Mayor Bloomberg's *New Housing Marketplace Plan*, created to meet the changing housing needs of the City's communities by committing to the new construction or rehabilitation of 165,000 homes and apartments in ten years. Today New York City faces an increasing demand for housing, a growing population, a scarcity of developable sites, and an aging housing stock. This rezoning will help to meet these challenges by making new land available for development, and by creating and preserving permanently affordable housing through a powerful combination of zoning incentives, housing programs, and the commitment of public and partner land. In Greenpoint-Williamsburg, about one-third of the projected units are expected to be affordable to low and moderate income households.

# INCLUSIONARY HOUSING BONUS

New developments in the Greenpoint-Williamsburg rezoning area that provide affordable housing are eligible for a floor area bonus. This bonus program applies in both upland (non-waterfront) and waterfront areas, with regulations tailored to each area. (See rezoning area map for the boundaries of these areas).

Rezoning Area Map



- Upland Inclusionary Program Area
- Waterfront Inclusionary Program Area
- R6 Zoning District Boundary

## Upland (Non-Waterfront) Area

The Inclusionary Housing program for upland portions of Greenpoint-Williamsburg establishes a zoning bonus subject to contextual height limits. In districts where substantial housing development is possible – R6A, R6 (on wide streets), and R7A districts – a 33% floor area bonus is available to sites providing 20% affordable housing to low-income households either on-site or off-site. (For detailed information on income limits, see “Income Limits and Maximum Rents,” on page 6.)

The following table outlines the Floor Area Ratio (FAR)<sup>1</sup> and height limits applicable to upland housing developments in each zoning district under the Inclusionary Housing program:

District	Max. FAR w/o Bonus	Max. FAR w/ Bonus	Max. base height	Max. total height
R6B, M1-2/R6B	2.0	2.2	40'	50'
R6, M1-2/R6 (narrow street*)	2.2	2.42	45'	55'
R6A, M1-2/R6A R6, M1-2/R6 (wide street*)	2.7	3.6	60'	70'
M1-2/R7A	3.45	4.6	65'	80'

\* A wide street is any street 75 or more feet in width.

Within the upland area where the Inclusionary Housing program applies, the maximum total FAR for a mixed building (containing residential and other uses) developed pursuant to the Quality Housing Program or in Special Mixed Use District MX-8 is limited to the maximum FAR without bonus listed in the table above, unless this development participates in the Inclusionary Housing program.<sup>2</sup>

For upland sites utilizing the Inclusionary Housing bonus, 1 square foot of low-income housing must be provided for each 1.25 square feet of bonus floor area.

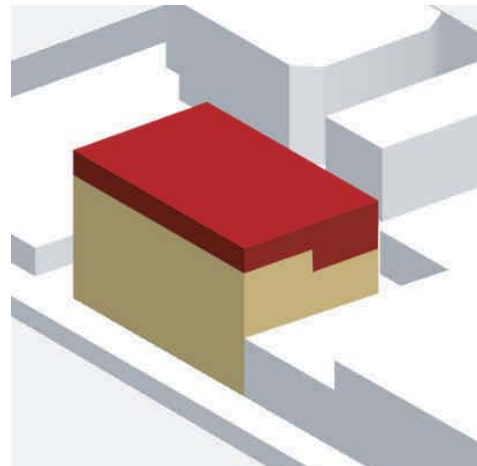
### Example: Inclusionary Housing Bonus on an Upland Site

Sample site:  
100' x 200' = 20,000 SF lot area

Zoning: R6A

54,000 SF without bonus  
+ 18,000 SF bonus  
= 72,000 SF total with bonus

Required: 14,400 SF affordable (20% of floor area)



R6A, R6 (wide street)

Base FAR: 2.7  
 With Bonus: 3.6

<sup>1</sup> Floor Area Ratio (FAR) is total floor area on a zoning lot divided by the area of that zoning lot. Each zoning district classification contains an FAR control which, when multiplied by the area of the zoning lot, produces the maximum floor area allowable on that lot. For instance, on a 5,000 square foot lot with a maximum permitted FAR of 2.0, a total of up to 10,000 square feet of floor area can be built.

<sup>2</sup> See Sections 24-161, 35-31, and 123-64 of the New York City Zoning Resolution.

## Waterfront Area

On the large waterfront sites in Greenpoint-Williamsburg, an Inclusionary Housing bonus has been tailored to the urban design plan for this waterfront area, and designed to facilitate the creation of affordable housing on large sites that will undergo phased development.

The following table outlines maximum Floor Area Ratios and maximum heights in different zoning districts with and without the Inclusionary Housing bonus:

District	<i>Without Bonus</i>		<i>With Incl. Housing Bonus</i>	
	Max. FAR	Max. height	Max. FAR	Max. height
Blended R6/R8	3.7	150'/230'/330'	4.7	150'/300'/400'
R6	2.43	150'	2.75	150'
R8	4.88	230'/330'	6.5	300'/400'

Sites within the area governed by the Greenpoint-Williamsburg Waterfront Access Plan (WAP) are subject to special regulations for height, bulk, floor area distribution, streetscape, and waterfront access. For instance, development on a waterfront parcel requires the construction and maintenance of public access areas in accordance with the Greenpoint-Williamsburg WAP. (The adopted zoning text is available from Department of City Planning website at <http://nyc.gov/planning>).

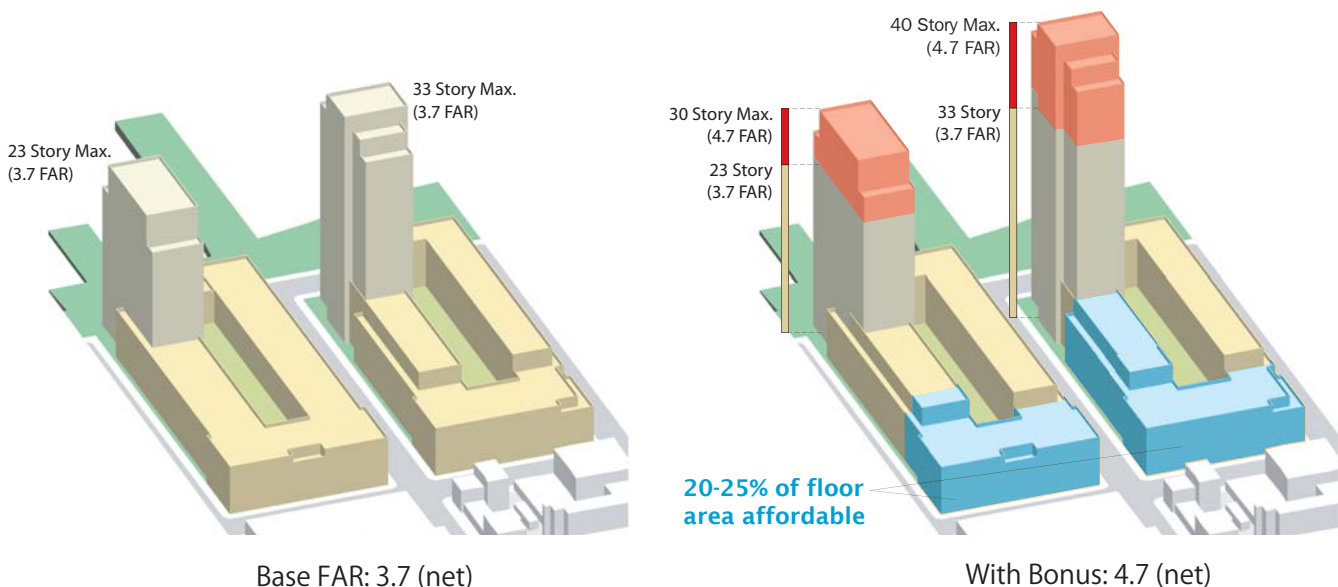
Waterfront developments on blended R6/R8 sites are eligible for a floor area bonus as well as a height bonus of up to 70 feet in R8 districts. On a site located within both R6 and R8 districts, developments must provide the following amount of affordable housing to earn the bonus:

- 20% of floor area affordable to low-income households (below 80% of Area Median Income (AMI)); or
- 10% of floor area affordable to low-income households (below 80% AMI), plus 15% of floor area affordable to moderate-income households (below 125% AMI).

On a site located entirely within an R6 district, a development must provide the following amount of affordable housing to earn the bonus:

- 7.5% of floor area for low-income households; or
- 5% for low-income households, plus 5% for moderate-income households.

### Illustration: Inclusionary Housing Bonus on a Blended R6/R8 Waterfront Parcel



## AFFORDABLE HOUSING

### Inclusionary Housing Options / Location of Affordable Units

Developments may provide affordable units in one of the following ways:

- Development of new affordable units on-site; or
- Development of new affordable units off-site; or
- Substantial rehabilitation or preservation of existing affordable units on- or off-site.

Off-site affordable units must be located either within the same Community District (Brooklyn Community District 1) as the site receiving the bonus, or within ½-mile in an adjacent Community District.

Available city, state, and federal housing finance programs may be used to create or preserve the affordable units.

The Inclusionary Housing Program requires the following:

- Registering units into rent stabilization.
- Ensuring that rents will be affordable in perpetuity and that future occupants meet maximum income guidelines.
- An administering agent, typically a non-profit, shall be responsible for marketing, lease up, and re-rentals.
- For the substantial rehabilitation and preservation options:
  - “Substantial rehabilitation” must involve buildings in which the residential portion has been entirely vacant for at least three years.
  - “Preservation” must involve occupied units whose average rents must meet the affordability guidelines of the Inclusionary Housing Program. Existing occupants are not required to meet the income thresholds, but upon re-rental, future occupants must meet applicable income limits.
  - For both options, applicants must demonstrate that no harassment, which resulted in the removal of previous tenants, occurred.
  - For both options, HPD may require building improvements.

### Lower Income Housing Plan

A development creating affordable housing through the Inclusionary Housing Program must file a Lower Income Housing Plan application with HPD, setting forth the developer’s plan for creating and maintaining the Lower Income Housing required under the program. Affordable units built, rehabilitated, or preserved to earn the bonus must be created no later than the development receiving the bonus, and must remain affordable in perpetuity.

Lower Income Housing Plan procedures are:

- Determine the square footage, rents, income targets, and unit distribution of the affordable development.
- If the affordable development is off-site, begin the process of identifying the market-rate development(s) that will receive the zoning bonus.
- Determine the project financing, including any subsidies or tax incentives.
- Submit a Lower Income Housing Plan application to HPD, along with the required documents, including the following:
  - Working drawings of floor plans (in the same format as required by the Department of Buildings) and site plans of the building containing the affordable housing.
  - If an existing building is to be rehabilitated or preserved as affordable, a scope of work indicating the extent of rehabilitation.
  - Completed sponsor review forms for all entities and individuals.
  - A request for a declaratory ruling with HPD’s Office of Tax Incentive Programs.

## AFFORDABLE HOUSING

### Lower Income Housing Plan

Upon approval of the application, the developer or landlord will enter into a Lower Income Housing Plan Regulatory Agreement with HPD that will ensure affordability for the life of the building(s) receiving the FAR bonus. HPD will direct the Department of Buildings to allow a zoning bonus. Tenant selection must comply with HPD marketing guidelines, and initial rent-up will be conducted through a lottery supervised by HPD.

### Financing and Tax Benefits

The Greenpoint-Williamsburg Inclusionary Housing Program differs from the traditional R10 Inclusionary Housing Program in that city, state, and federal subsidy programs may be used in conjunction with the construction or preservation of the affordable units. Furthermore, affordable units created through the Greenpoint-Williamsburg Inclusionary Housing Program may also be used to qualify mixed income projects such as 80/20 developments for on-site 421-a extended tax benefits. In exchange for allowing subsidy and tax incentive programs to be used in conjunction with the development of Inclusionary Housing, a higher percentage of affordable housing is required to generate the density bonus in Greenpoint-Williamsburg than in the R10 district.

The following tax benefits and subsidies are available:

- 80/20 and other public subsidy programs may be used in conjunction with the construction or rehabilitation of Inclusionary Housing.
- A project receiving tax credits that is at least 50% non-profit (501-(c)(3)) ownership, may be eligible for a 420-c tax exemption.
- A project undergoing moderate or gut rehabilitation or conversion from a non-residential building may be eligible for a J-51 tax exemption.
- A project owned by a Housing Development Fund Corporation (HDFC) may be eligible for full or partial tax exemption pursuant to Article XI of the Private Housing Finance Law, subject to the approval of the New York City Council.
- The waterfront area of the Greenpoint-Williamsburg District is part of the 421-a Geographic Exclusion Area. Newly constructed projects in Greenpoint-Williamsburg District are not eligible for as-of-right 421-a tax exemption benefits unless 20% of their units are affordable either funded through substantial governmental assistance or privately financed or projects construct off-site affordable housing within Community Board 1 (limited to 200 units).
- The majority of the upland areas of the Greenpoint Williamsburg District will become part of the 421-a Geographic Exclusion Area in July 2008. Projects commencing on or after July 1, 2008 will not be eligible for as-of-right 421-a tax exemption benefits unless 20% of their units are affordable either funded through substantial governmental assistance or privately financed or the projects purchase off-site 421-a<sup>3</sup> certificates.

	Waterfront 421-a Tax Benefits	Upland 421-a Tax Benefits in GEA (construction commencing on or after July 1, 2008)
No Affordable	0 Years	0 Years
On-site affordable	25 years – on same development parcel	25 years – on same zoning lot
Off-site affordable	Affordable units provide 15 year benefit for waterfront development parcel – limited to cumulative total of 200 units (certificates)	Negotiable certificates provide 15 year benefit for upland zoning lot

<sup>3</sup> The 421-a Negotiable Certificate Program was terminated in December of 2007. The 421-a negotiable certificates will not expire, and remaining certificates can still be purchased.

## AFFORDABLE HOUSING

### Income Limits and Maximum Rents

Incomes listed below are as of 2008 and are subject to periodic modification by the United States Department of Housing and Urban Development.<sup>4</sup>

#### LOW INCOME UNITS

*For households with incomes up to 80% of AMI*

# of Bdrms	Maximum # of Persons	Maximum Income	<i>(if gas &amp; electric are included in rent)</i>	<i>(if only electric not included)</i>
			Max. Rent / unit / month	Max. Rent / unit / month
0	1	\$43,008	\$1,008	\$960
1	2	\$46,080	\$1,080	\$1,027
2	4	\$55,296	\$1,296	\$1,237
3	6	\$63,898	\$1,498	\$1,430

#### MODERATE INCOME UNITS

*For households with incomes at or below 125% of AMI*

# of Bdrms	Maximum # of Persons	Maximum Income	<i>(if gas &amp; electric are included in rent)</i>	<i>(if gas &amp; electric not included)</i>
			Maximum monthly rent per unit	Maximum monthly rent per unit
0	1	\$67,200	\$1,613	\$1,555
1	2	\$72,000	\$1,728	\$1,663
2	4	\$86,400	\$2,074	\$2,001
3	6	\$99,840	\$2,396	\$2,317

Tables based on HUD figures released 2/2008, NY metro income limit of \$76,800

**Note:** Initial rents must not exceed 30% of a tenant's income. Although programmatic income limits permit rents affordable to those earning up to 80% and 125%, rents are shown below at 5% less than these tiered limits to allow flexibility for marketing and lease-up purposes. This will ensure that tenants will pay between 25%-30% of their income in rent. Rent and income limits for individual projects may be lower and subject to additional restrictions, depending on the particular project.

<sup>4</sup> For the most up-to-date information on maximum rent and income limits, please visit HPD's website at <http://www.nyc.gov/hpd>.

## FOR MORE INFORMATION

For more information on the Department of City Planning, on the Department's recent zoning changes to facilitate housing, mixed use and waterfront open space in Greenpoint-Williamsburg, or on the New York City Zoning Resolution, please visit the DCP website

<http://www.nyc.gov/planning>

DCP project overview:

<http://www.nyc.gov/html/dcp/html/greenpointwill/greenoverview.shtml>

DCP Inclusionary Housing:

[http://nyc.gov/html/dcp/html/zone/zh\\_inclu\\_housing.shtml](http://nyc.gov/html/dcp/html/zone/zh_inclu_housing.shtml)

DCP Greenpoint-Williamsburg Project Coordinators

718-643-7550

For More Information about the Inclusionary Housing Program, HPD financing programs, and HPD tax incentives, please visit the HPD website

<http://www.nyc.gov/hpd>

HPD Inclusionary Housing Website:

<http://www.nyc.gov/html/hpd/html/developers/inclusionary.shtml>

HPD

Inclusionary Housing Program

212-863-6196

NYC Housing Development Corporation financing programs:

<http://www.nychdc.com/>

Division of Housing and Community Renewal, affordable housing development financing programs:

<http://www.dhcr.state.ny.us/>

New York State Housing Finance Agency, affordable housing development financing programs:

<http://www.nyhomes.org>

