



February 3, 2021

SoHo/NoHo Neighborhood Plan: Housing Info Session

NYC
PLANNING

NYC
Department of
Housing Preservation
& Development

Welcome

6:30 – 6:40 PM: Opening Remarks

6:45 – 7:25 PM: Presentation by DCP & HPD

5 min break

7:30 – 8: 45 PM: Live Q&A

Tonight's Housing Info Session - the first of a series of thematic events - will cover:

- NYC's Housing Crises
- What Is Affordable Housing?
- City Housing Strategies in the context of SoHo/NoHo Neighborhood Plan
- Your questions



Presentation Agenda

- 01 SoHo/NoHo Neighborhood Plan**
- 02 NYC's Housing Crises**
- 03 What Is Affordable Housing?**
- 04 Neighborhood Conditions in SoHo/NoHo**
- 05 Citywide and SoHo/NoHo Housing Strategies**

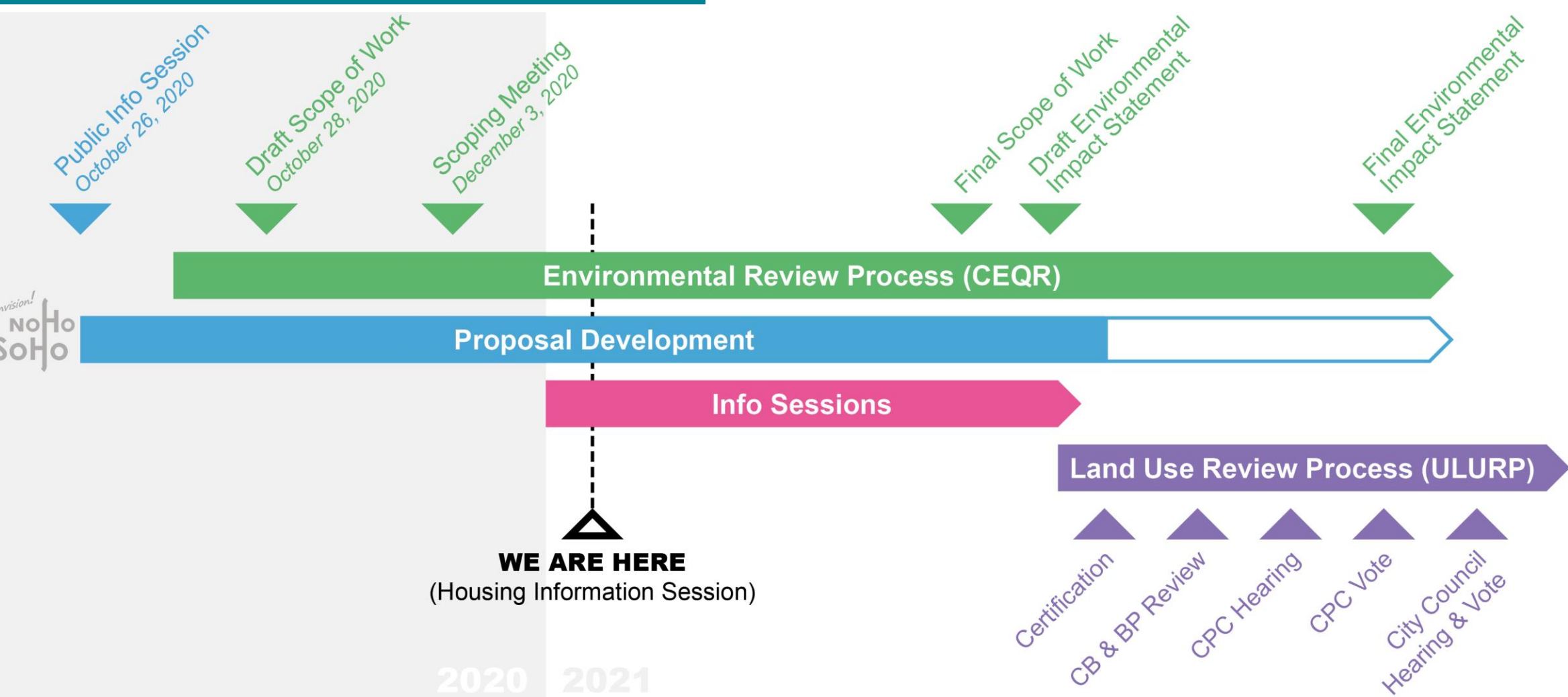
Common Questions

- **MIH requires 20% to 30% of the new housing to be permanently affordable. Can the required percentages be higher than 30%?**
- **Why can't we keep the existing density in SoHo/NoHo and apply MIH to support the city's housing goals?**
- **What about JLWQA? How does it fit into the housing goals in SoHo/NoHo?**

01

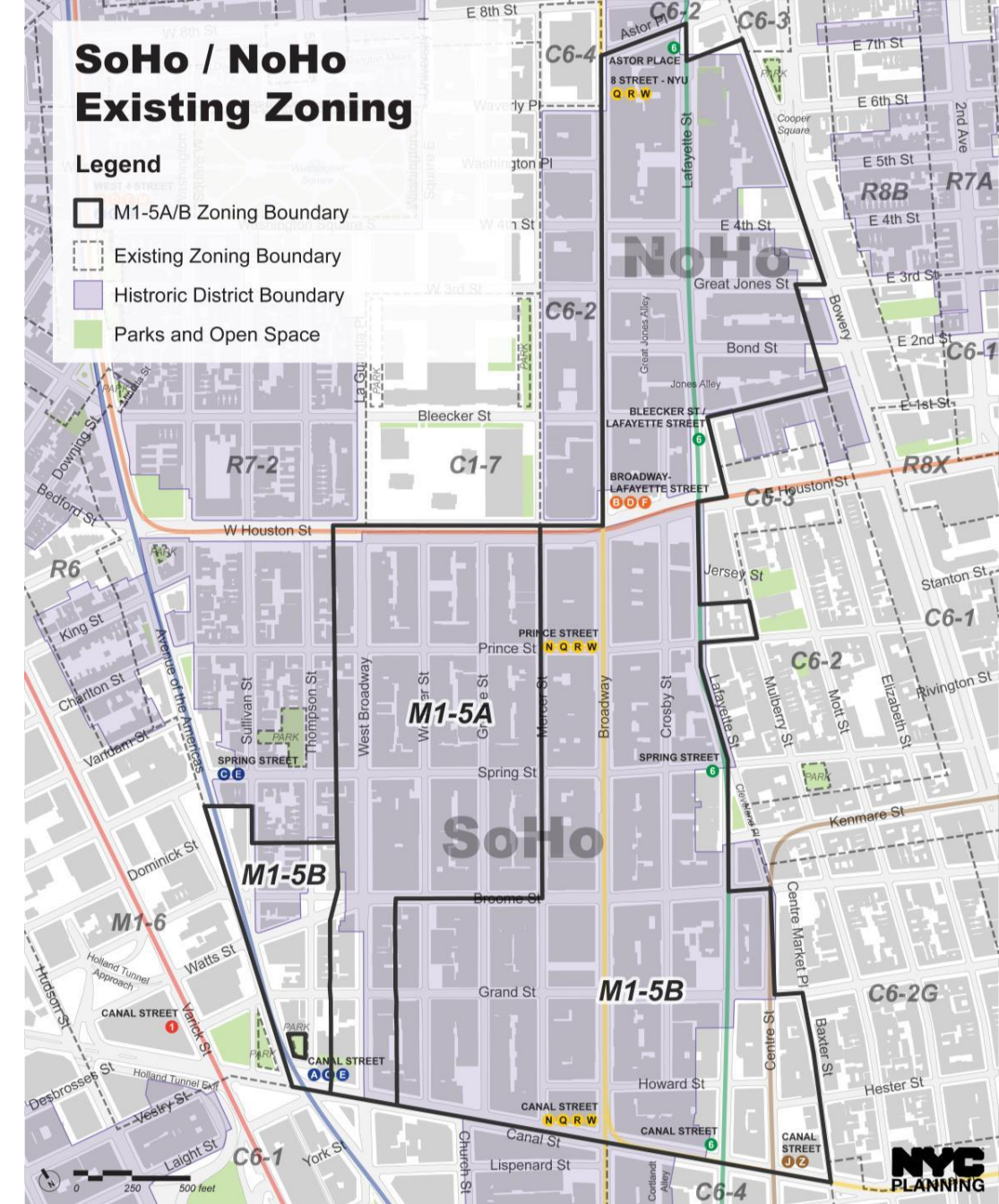
SoHo/NoHo Neighborhood Plan

Where we are in the SoHo/NoHo Neighborhood Plan process?



Existing M1-5A & M1-5B Zoning

- **Residential:**
 - Residential use is not permitted
 - No affordable housing requirement
- **Manufacturing / Commercial: 5 FAR**
 - Joint Living Work Quarters for Artists (JLWQA)
 - Ground Floors largely restricted to industrial and related uses
- **Community Facility: 6.5 FAR**
 - Restricted to certain healthcare facilities, houses of worship, museums/non-commercial art galleries on limited basis
- **No height limits**



Why SoHo/NoHo? Why now?

- City's fair housing analyses have highlighted the **importance of adding housing in amenity-rich neighborhoods** to address inequalities
- COVID-19 highlighted **consequences of inequalities and exacerbated zoning impediments**
- **Outdated 50-year-old zoning creates unnecessary barriers** for businesses, arts and cultural organizations, and residents
- **Envision SoHo/NoHo report**, culmination of 6+ month public engagement effort, provides foundation for action



02

NYC's Housing Crises

Distinct but Overlapping Crises

1. Low Incomes:

- From 2002 and 2017, median rents across the city increased by over 37%, while renter income only increased by 20%
- Families with the lowest incomes cannot afford rents that support the costs of operating a building
- Preventing homelessness and ensuring that New Yorkers live in safe, high-quality housing requires subsidizing housing for low-income families and individuals

2. Limited Supply:

- In the last 20 years, the NYC region has added 150,000 more jobs than it has added housing units
- Shortage means we are all competing for the few available apartments, driving up prices
- Even moderate-income households have difficulty finding affordable housing

3. Segregated and Unequal Neighborhoods

- NYC is the most diverse city in the USA, but discrimination and segregation in our neighborhoods persist
- NYC's segregated neighborhoods are rooted in our history of racist laws, policies, and practices
- There are clear connections between a New Yorker's race, where they live, and their access to opportunity

Distinct but Overlapping Crises

4. Homelessness:

- Each night, there are nearly 60,000 people sleeping in the City's shelter system, including 18,000 children
- The high cost of housing is the primary cause of homelessness in NYC

5. Underinvestment in Public Housing

- NYCHA supplies 8% of New York City's rental housing stock
- NYCHA comprises 79% of the apartments in NYC with rents less than \$500/month
- For decades, federal housing subsidies have favored middle class homeownership over public housing, leaving NYCHA with \$40B in capital repair needs

NYC Incomes Don't Match Costs of Housing

One in four households in NYC earn less than \$30,000, **which means rents they can afford are less than \$600 a month**



Preventing severe rent burden, homelessness, and unsafe housing requires **subsidy to make up the difference**



Average cost to operate an apartment in NYC is **over \$1,000 per month**

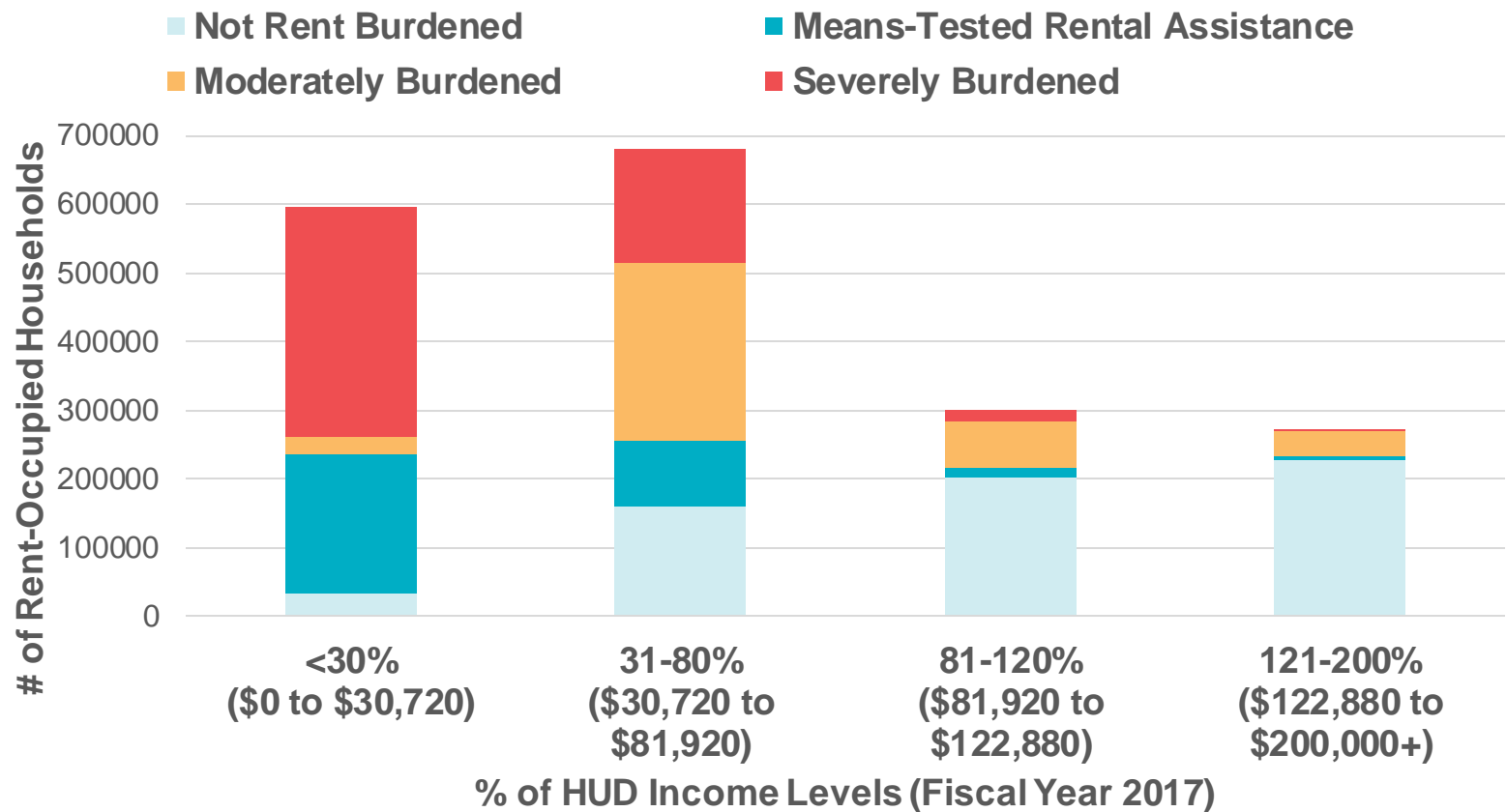
Average cost to operate a building is based on the Rent Guidelines Board 2020 Income and Expense Study. The average monthly O&M cost for units in stabilized buildings were \$1,034 in 2018. This includes taxes; labor; utilities; fuel; insurance; maintenance; administrative; and miscellaneous costs. Costs do not include debt service.

High Levels of Rent Burden

30% of NYC Households spend more than half of their income on rent.

40% of low-income NYC households spend more than half of their income on rent.

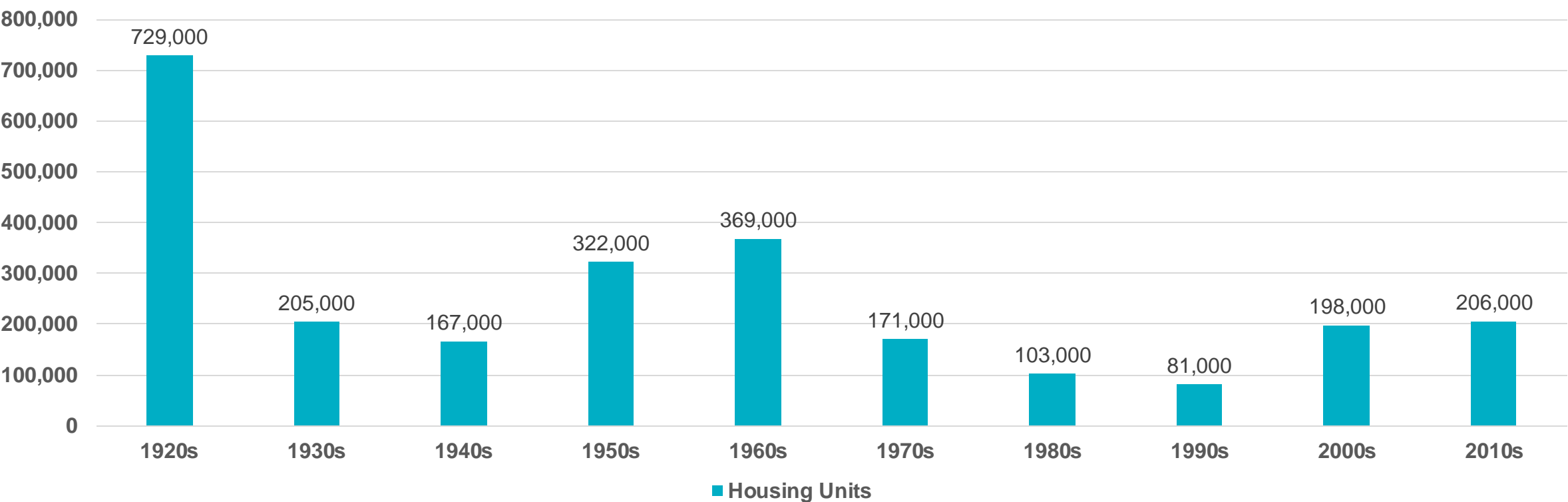
Rent Burden by Income Group



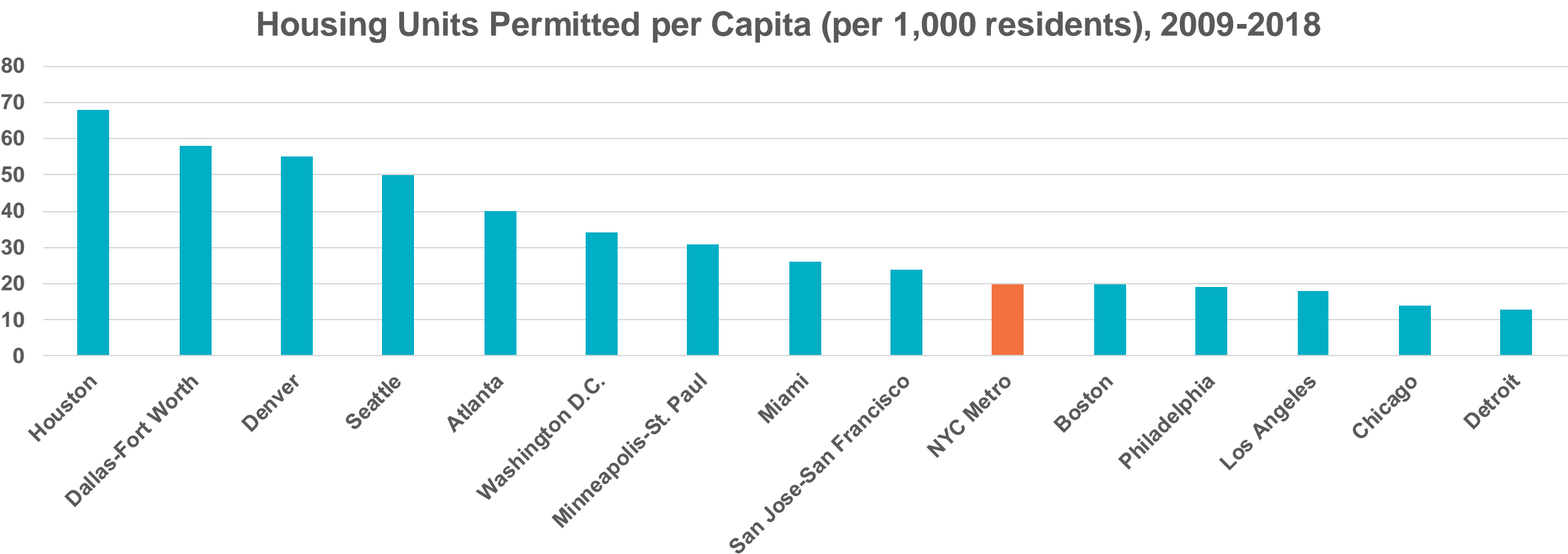
Source: 2017 NYCHVS; 2020 AMI levels for a family of three

Insufficient Housing Production

Housing Units Produced by Decade



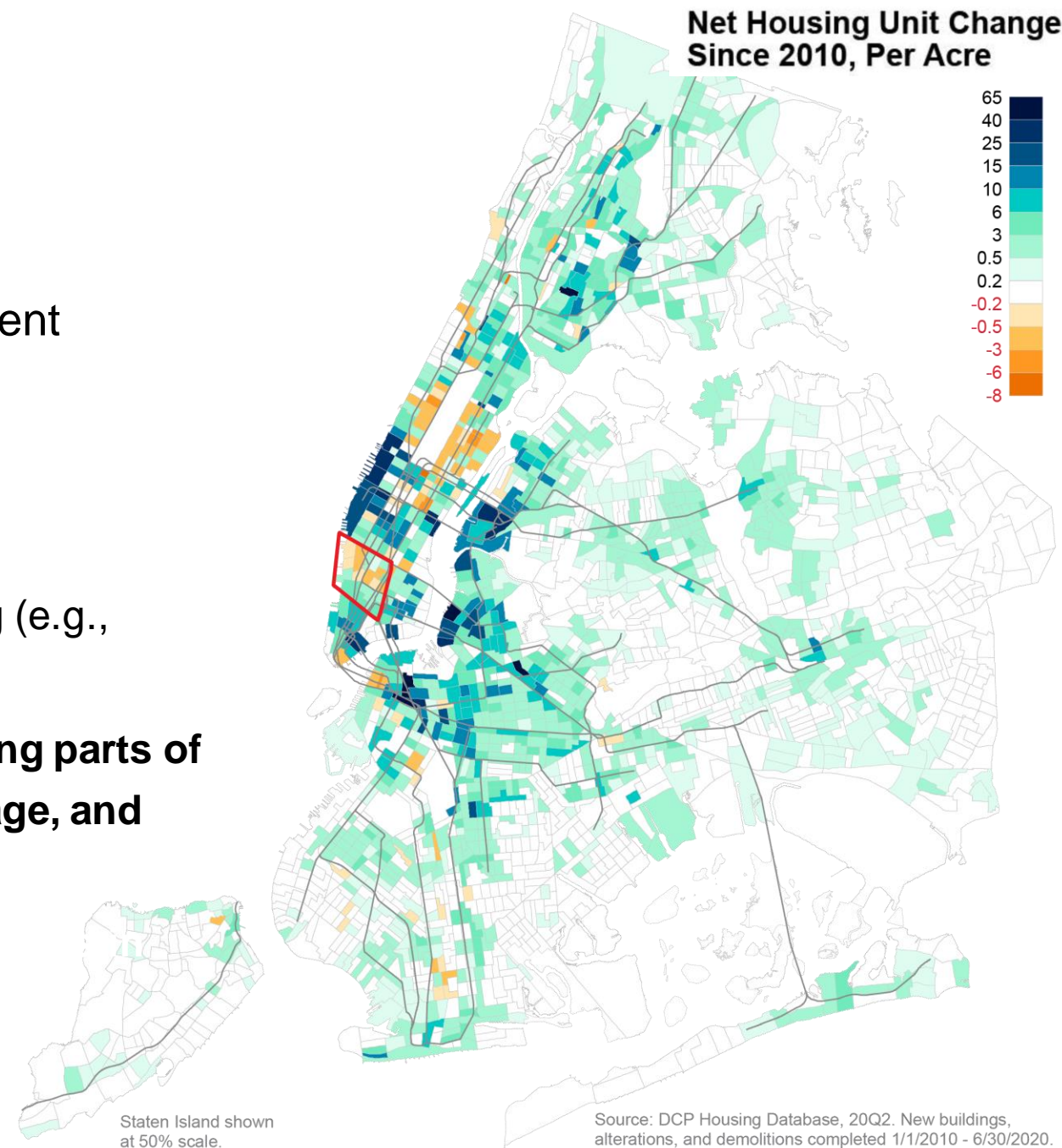
Insufficient Housing Production



Source: U.S. Census Bureau Population Estimates Program 2018; U.S. Census Bureau Intercensal Estimates 2010; U.S. Census Bureau BPS Annual 2009-2018; NYC DCP Housing Database 19v1

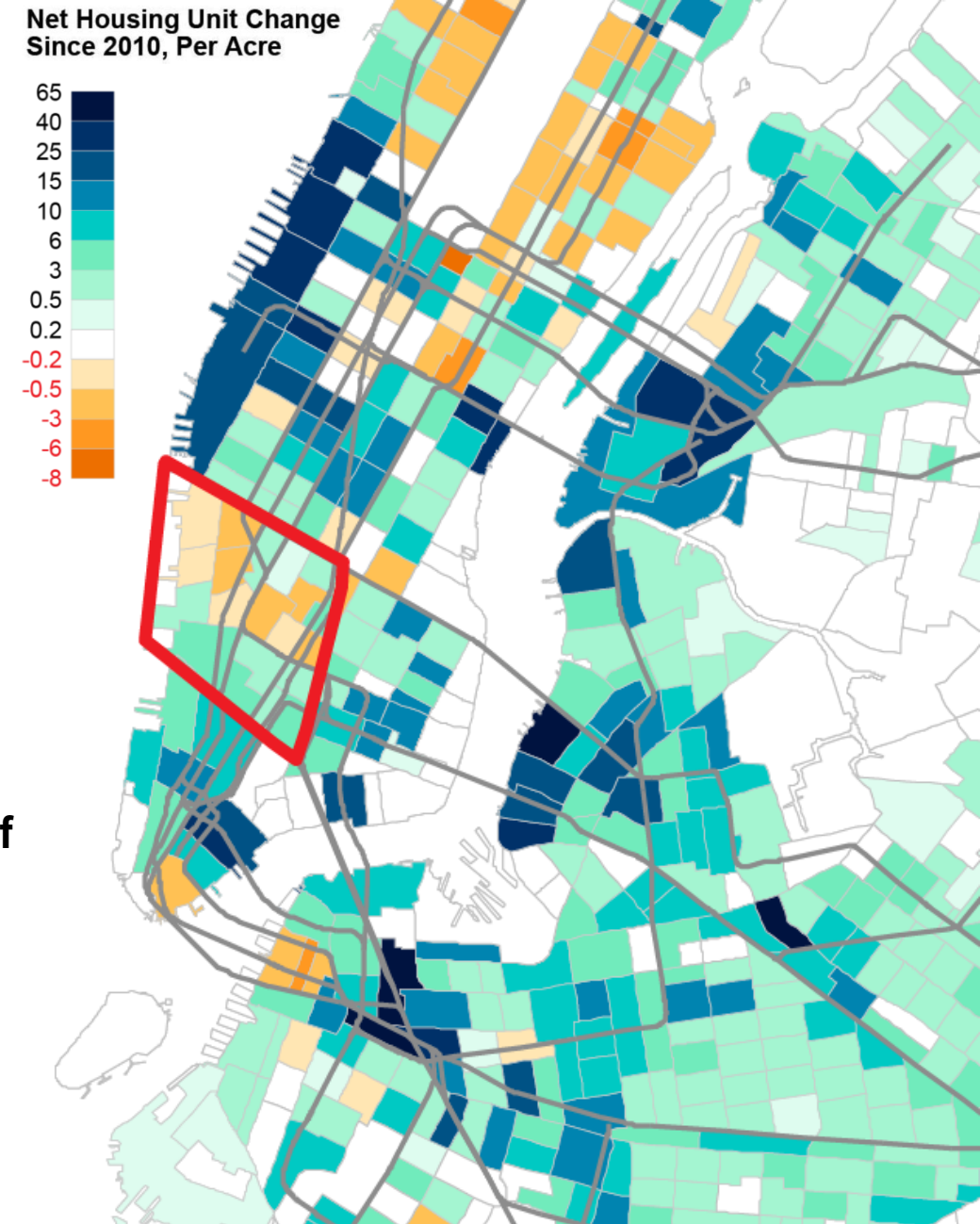
Inequitable Housing Production

- Housing changes in previous decade show different patterns across neighborhoods
- In Manhattan:
 - Significant **growth** almost exclusively in **formerly nonresidential areas rezoned to allow housing** (e.g., Hudson Yards, West Chelsea, Riverside South)
 - **Net loss** within some historic districts, including parts of the Upper East and West Sides, **Greenwich Village**, and **SoHo/NoHo**



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 - **Net loss** within some historic districts, including parts of the Upper East and West Sides, **Greenwich Village**, and **SoHo/NoHo**
 - **Community District 2** lagged most of the city's CDs in housing unit gains (ranked #48 out of 59 CDs)



Source: DCP Housing Database, 20Q2. New buildings, alterations, and demolitions completed 1/1/2010 - 6/30/2020.

Conditions Post-COVID

- Changes to NYC's housing market and needs as a result of the COVID-19 pandemic and economic changes **will take time to play out and understand**
- New Yorkers couldn't afford housing costs before the pandemic, and now many have lost their jobs or a portion of their income
- Over **a million New York City residents have filed for unemployment** in the last year
- As we plan, it is important to consider immediate needs in addition to a **long-term framework for equitable housing development**
- New zoning will take time to cause change, and is designed to be in place over 30-50 years

03

What Is Affordable Housing?

What Is Affordable Housing?

Housing is considered “affordable” when a household spends no more than 1/3 of its income on rent and utilities.

If your gross income is...

\$20,000

\$50,000

\$100,000

your rent should be less than:

\$600

\$1,500

\$2,500

Types of Affordable Housing

Type	Description	Regulation	Presence in SoHo/NoHo?
Unregulated/ Private Market	Privately-owned housing that may be affordable to some families. Sometimes called “naturally-occurring affordable housing.”	Not subject to regulation	No
Public Housing*	Publicly-owned and operated housing managed by the New York City Housing Authority (NYCHA)	Income eligibility and rents regulated by NYCHA/HUD	No
Rent-Stabilized/ Rent-Controlled	Privately-owned, multifamily buildings, most often built before 1974, in which tenants are protected from sharp increases in rent and have the right to renew their lease.	Rents regulated by NYS Rent Stabilization Law or other NYS laws like the Loft Law	Some
Government Assisted	Privately-owned buildings that received public subsidy or other benefits in exchange for providing income-restricted housing with affordable rents.	Income eligibility and rents governed by a regulatory agreement with the owner	No
Rental Assistance	Federal, State, and City programs which pay for all or part of the rent on behalf of a tenant. Programs like Housing Choice Vouchers (Section 8) or CityFHEPS can be used in many types of affordable housing.	Income eligibility and rents regulated depending on voucher source.	Likely no

*Includes PACT Developments which is publicly-owned housing converted to more stable funding through the PACT (Permanent Affordability Commitment Together) Program.

Area Median Income (AMI)

Area Median Income (AMI) is determined each year by the federal government for different regions.

New York Metro Area:



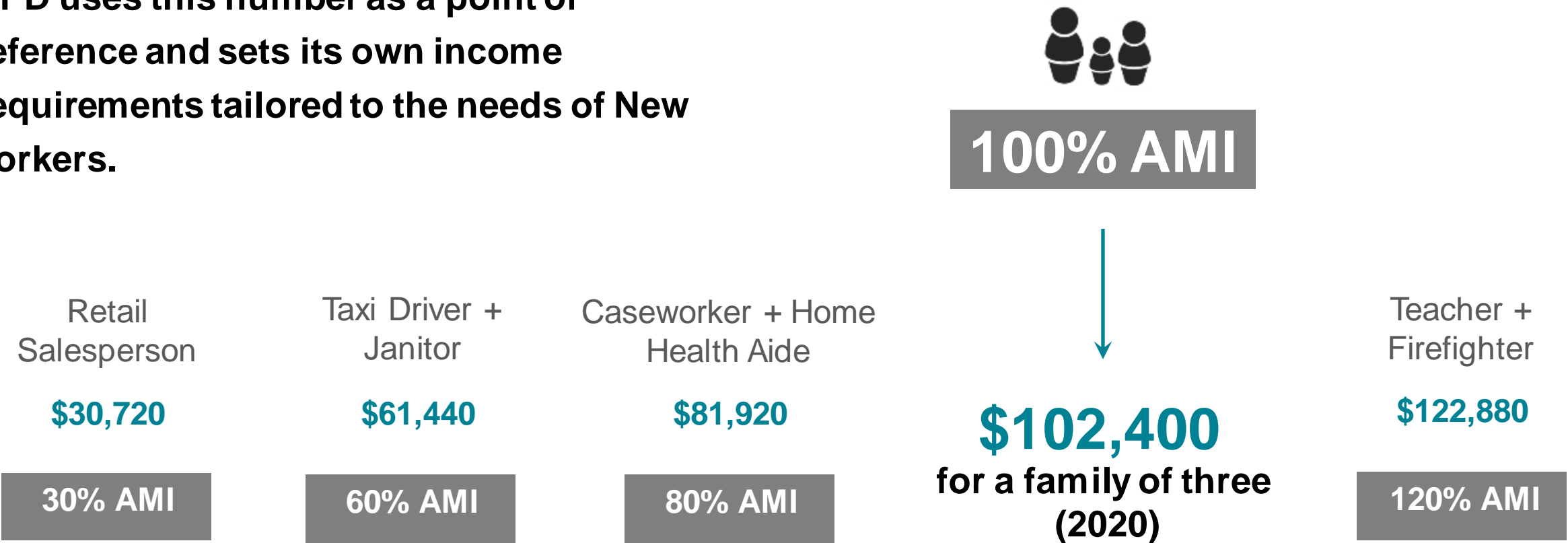
100% AMI









\$102,400
for a family of three
(2020)

Area Median Income (AMI)

HPD uses this number as a point of reference and sets its own income requirements tailored to the needs of New Yorkers.



Example Rents for Different Households

Apartment Size	Studio		One Bedroom	Two Bedroom		Three Bedroom
Example Households						
Annual Income	Social Security (Senior)	\$23,880 (30% of AMI)	\$72,800 (80% of AMI)	\$45,500 (50% of AMI)	\$40,960 (40% of AMI)	\$68,220 (60% of AMI)
Sample HPD Rent	30% of income	\$397	\$1,570	\$1,110	\$854	\$1,570
Sample Market Rate Rent*	\$2,291		\$3,155	\$8,067		\$12,758

*Market rate rents based on asking rents on StreetEasy search in SoHo and NoHo on Jan. 28, 2021

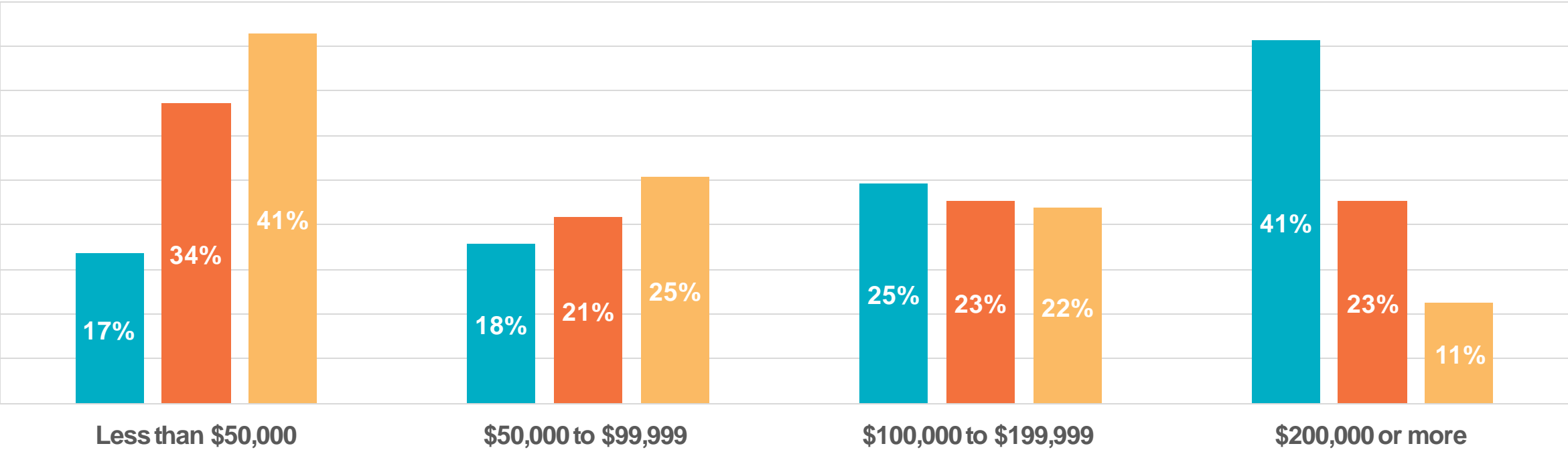
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Neighborhood Conditions

Household Income Distribution

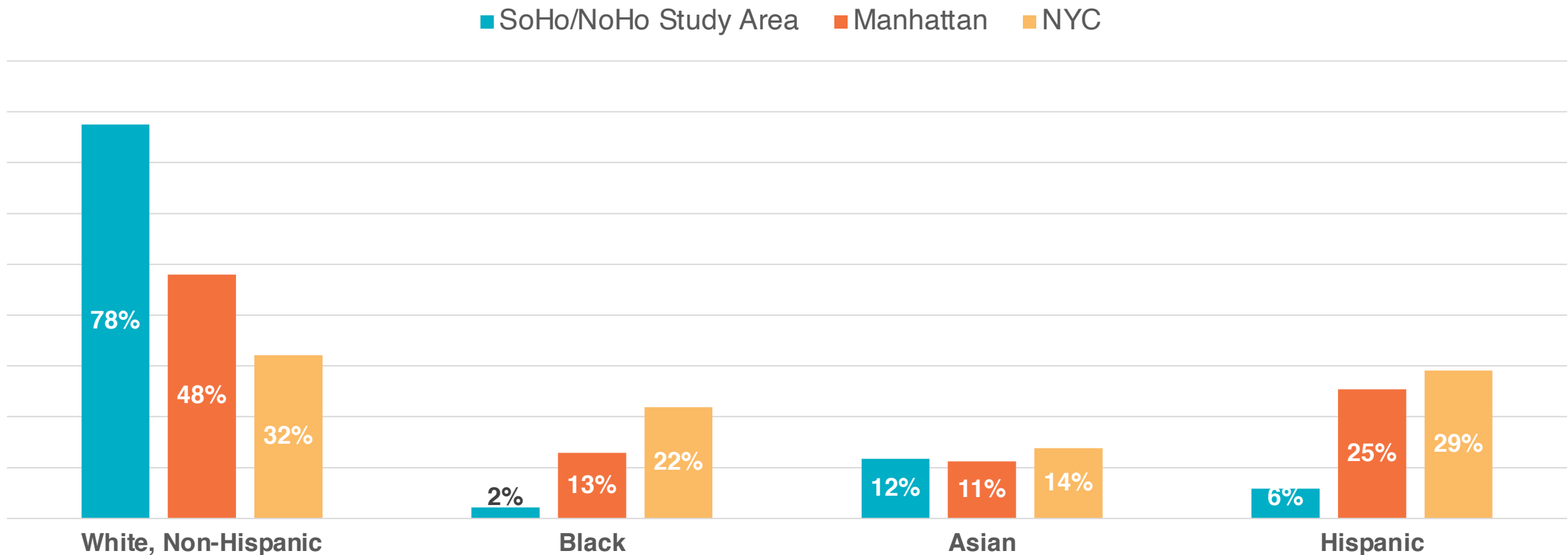
Household Income Distribution in SoHo/NoHo and NYC

■ SoHo/NoHo Study Area ■ Manhattan ■ NYC



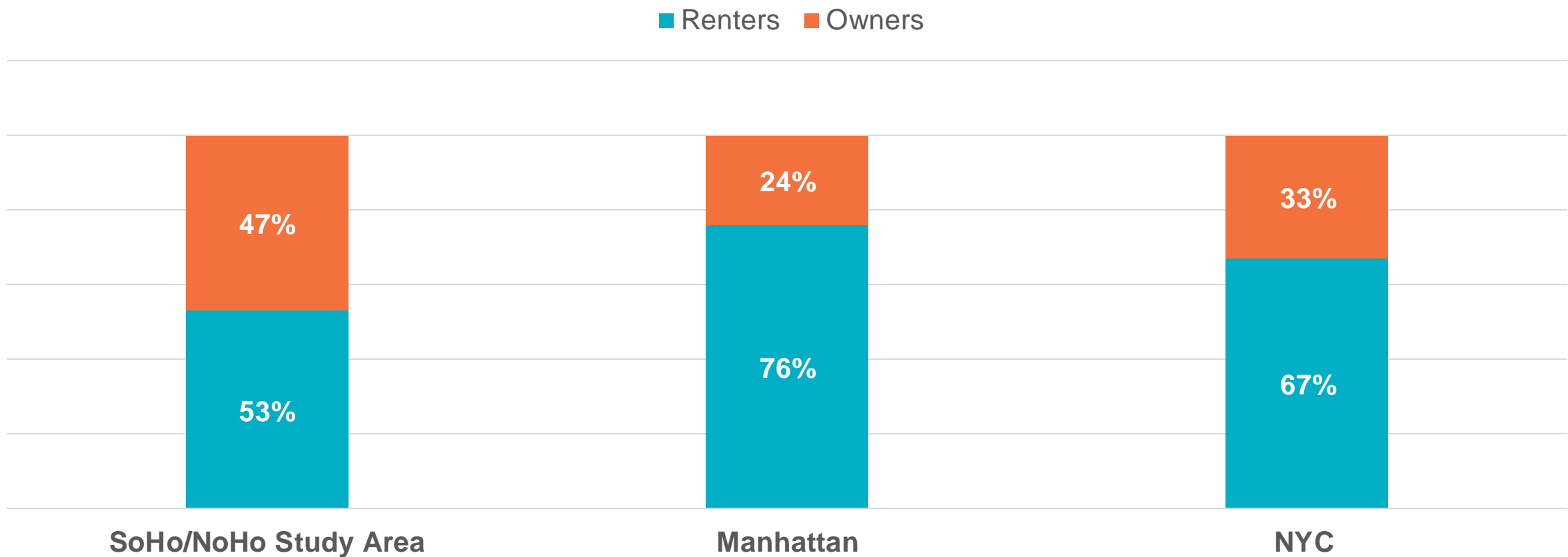
Source: NYC Department of City Planning-Population Division, American Community Survey, 2015-2019
Manhattan Block Groups 45001, 47002, 49001, and 55021 were aggregated to approximate the SoHo/NoHo Study Area

Race and Ethnicity



Source: 2010 US Census
Source (correction made on Feb 16, 2021): 2010 Census, Tables P2, P12, P21, P29, H4, H5, H13, and H17; block-level data. Manhattan blocks split by the Study Area boundary were proportionally allocated based on the number of residential units in parcel-level PLUTO data.

Renters vs Owners

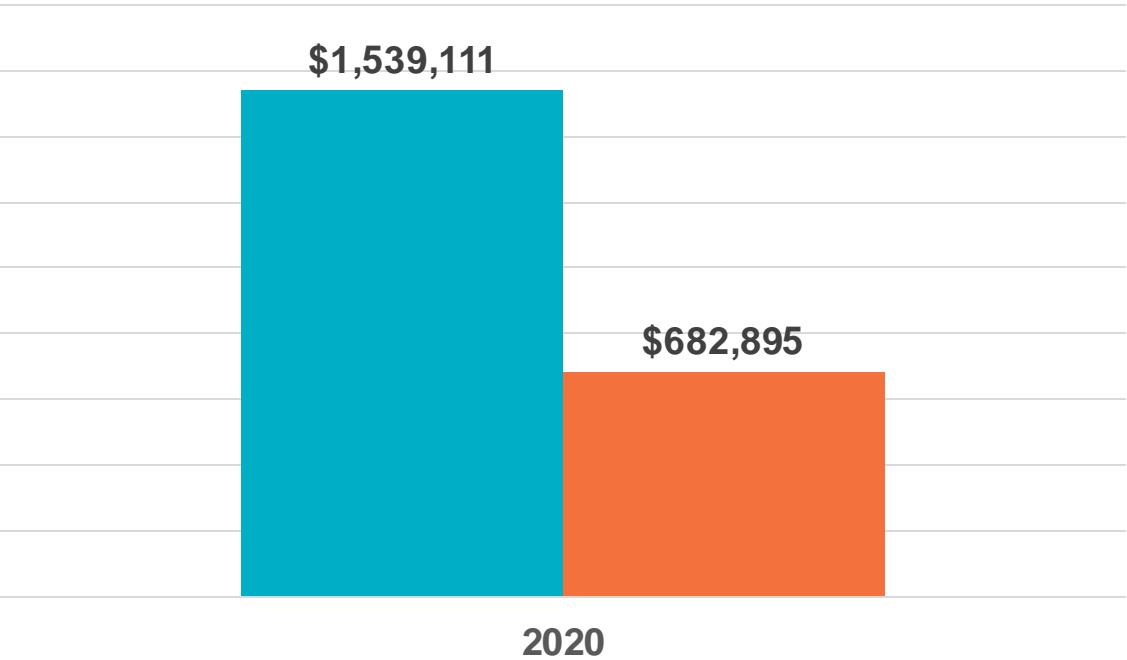


Source: NYC Department of City Planning-Population Division, American Community Survey, 2015-2019
Manhattan Block Groups 45001, 47002, 49001, and 55021 were aggregated to approximate the SoHo/NoHo Study Area

Rent and Sales Prices

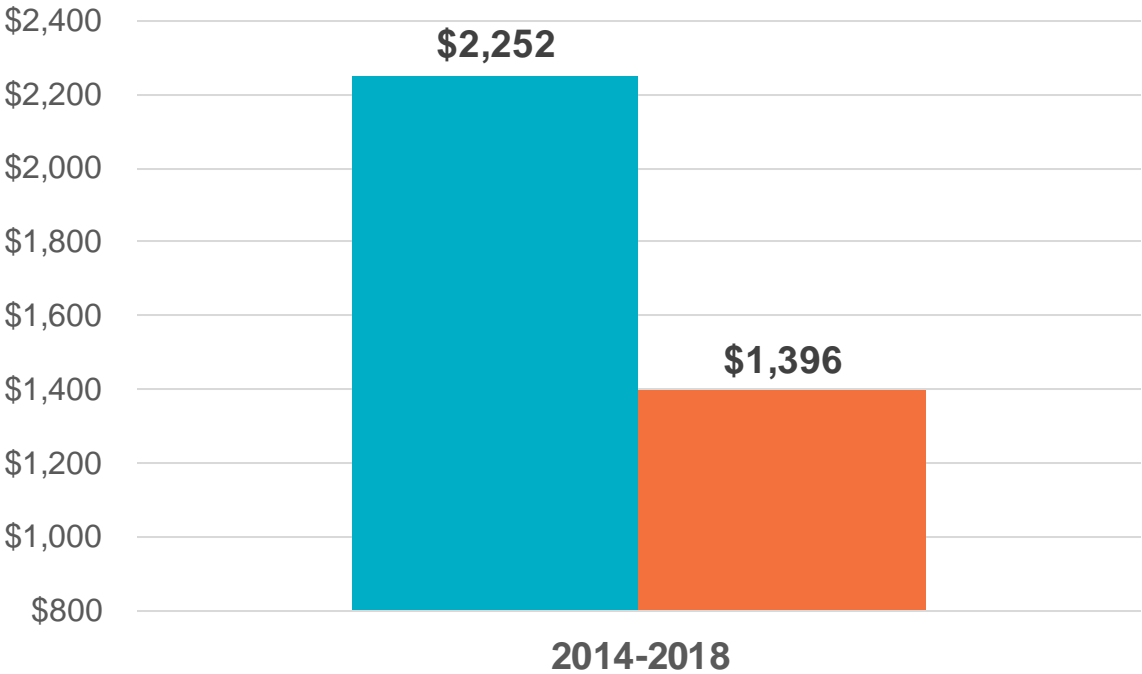
Median Sales Price

■ Manhattan CB2 ■ NYC



Gross Rent in 2018 Adjusted Dollars

■ Manhattan CB2 ■ NYC



Source: Street Easy Median Sale Price -- Includes Coops, Condos, and Single-Family Townhouse
American Community Survey 5-Year Estimates, Department of City Planning Population Fact Finder
CB2 area includes the following Street Easy Neighborhoods: Soho (which includes Hudson Square), Greenwich Village, West Village, Nolita and Little Italy

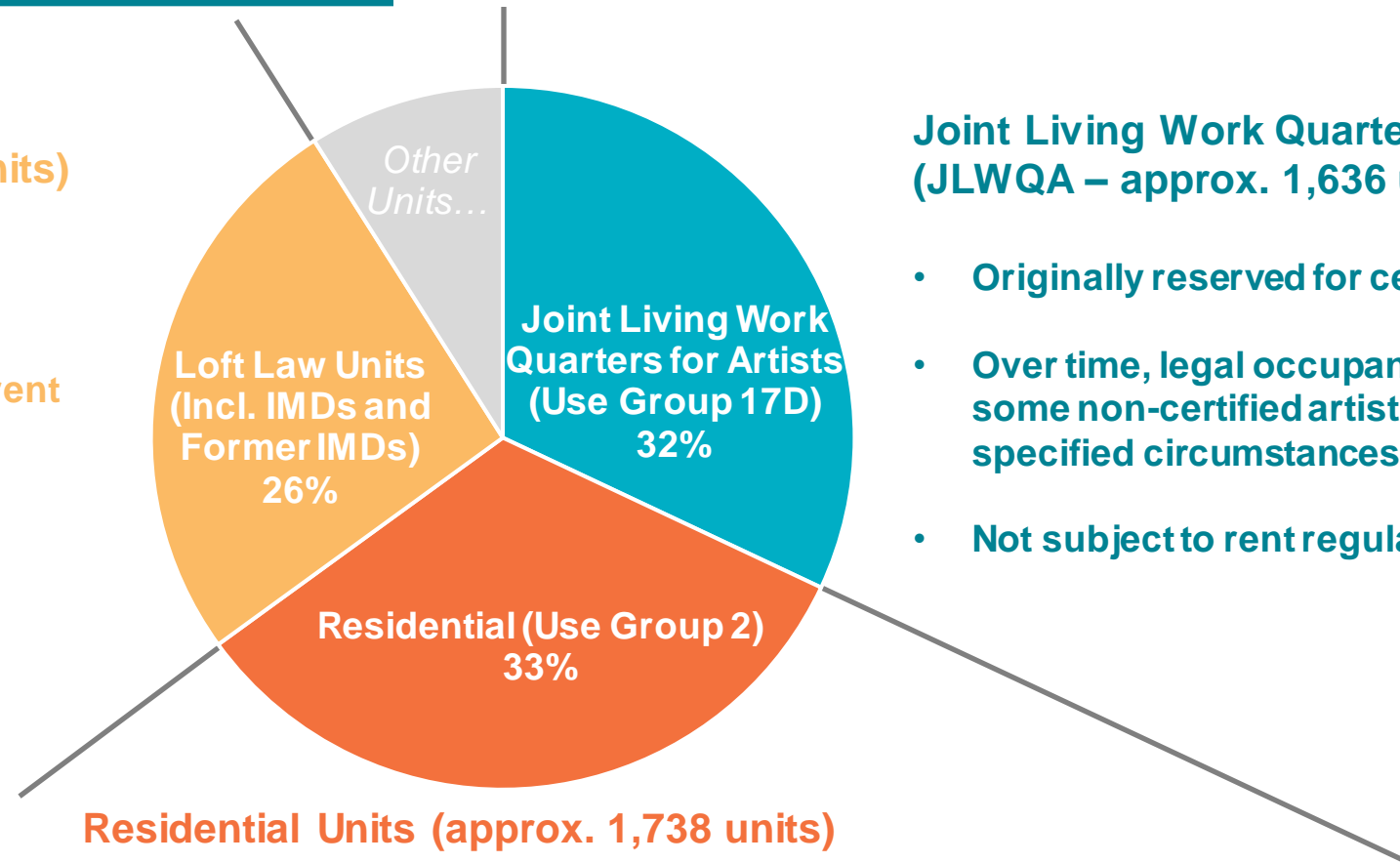
Existing Housing Stock

Loft Law Units (approx. 1,325 units)

- Include Interim Multiple Dwelling (IMD) and Former IMDs
- Subset of rental units subject to rent regulation
 - Certain rental IMDs
 - Approx. 311 former IMDs
- No artist occupancy required

Source: DOB BISWEB, Loft Board, PLUTO

**Other units Include units lacking available DOB, Loft Board and DoF records for classification (approx. 491 units)*



Joint Living Work Quarters for Artists (JLWQA – approx. 1,636 units)

- Originally reserved for certified artists
- Over time, legal occupancy extended to some non-certified artist residents under specified circumstances
- Not subject to rent regulation

Residential Units (approx. 1,738 units)

- Include units approved via BSA and CPC approvals (market rate)
- Subset of older residential units (e.g. in tenements) may be rent-regulated
- No artist occupancy requirement

Government Assisted Housing Stock

- There is **no income-restricted affordable housing** in the **SoHo/NoHo** study area
- In CB2, **3% of homes are government assisted affordable housing** (1,855 units)
 - ~32% of the affordable units are HDFC co-ops
 - ~7% of the affordable units are in projects with inclusionary housing



505 LaGuardia Place – Financed by the Mitchell-Lama Program

05

Citywide & SoHo/NoHo Housing Strategies

Preserve Existing Affordable Housing Citywide

- **Finance and safeguard affordability**

- Offer loans and tax incentives to building owners in exchange for keeping homes affordable
- Since 2014, HPD has financed the preservation of 115,460 homes in NYC, including **175 homes in CD2**
- Improve public housing stock while safeguarding residents' tenancy, rights, and affordability

- **Protect tenants**

- Citywide **Tenant Hotline and Portal**
- **Right to Counsel** for tenants facing eviction in housing court
- HPD Tenant Anti-Harassment Unit

- **Promote safe and healthy housing**

- Improve the quality through rigorous enforcement of the Housing Maintenance Code
- Make improvements to NYCHA campuses by funding capital repairs at NYCHA buildings

Create New Affordable Housing Citywide

- **Loans and tax incentives to facilitate the development of affordable housing**
 - Since 2014, HPD has financed 52,672 new affordable homes in NYC
 - Of those, **less than 1% were in CD2**
- **Prioritize development of City-owned land**
 - Since 2014, ~35% of all new construction affordable housing was in projects with publicly-owned land
 - There is **very little developable city-owned land in CB2**
- **Support Community Land Trusts (CLTs) and other non-profit developers, as well as MWBEs**
- **Implement Mandatory Inclusionary Housing (MIH) to require affordable housing along with new housing growth**



255 East Houston in CD3 – Financed by the Voluntary Inclusionary Housing Program

SoHo/NoHo Constraints & Opportunities

Constraints

- **High land costs and market rents** make affordable housing financing tools such as loans and tax incentives infeasible
- **Lack of existing income-restricted affordable housing**
- **Lack of City-owned land** to build 100% affordable housing

Opportunities

- **Rezone to allow housing** (incl. infill developments and conversions)
- **Require permanent affordable housing via MIH** on private development sites
- Continue to identify opportunities on publicly-owned sites within SoHo/NoHo and in CD2
- Work with DCP, DOB, and HCR to identify rent-regulated homes and ensure consistent enforcement

Mandatory Inclusionary Housing (MIH)

During the public review, the City Council can choose to impose one or both of two options:

1. **25%** of housing for households with incomes averaging **\$61,440** (60% AMI)
 - At least **10%** must serve those earning **\$40,960 or below** (40% AMI)
 - Rents could range from **\$732** for a studio (40% AMI) to **\$1,955** for a two-bedroom (80% AMI)

2. **30%** of housing for households with incomes averaging **\$81,920** (80% AMI)
 - Rents could range from **\$1,528** for a studio to **\$1,955** for a two-bedroom

Sample incomes are shown based on a 3-person household and 2020 income limits. MIH rents would be determined based on the income limits in place at the time of project closing, and income limits would be determined by the AMIs effective at the time of project marketing.

Mandatory Inclusionary Housing (MIH)

In addition to the two basic options, the City Council may add one or two other options:

3. **20%** of housing for households with incomes averaging **\$40,960 (40% AMI)**

- Subsidy is allowed only if more housing is provided
- Rents could range from **\$732** for a studio to **\$931** for a two-bedroom

4. **30%** of housing for households with incomes averaging **\$108,000 (115% AMI)**

- Requires at least 5% at 70% AMI and 5% at 90% AMI; no subsidy

Sample incomes are shown based on a 3-person household and 2020 income limits. MIH rents would be determined based on the income limits in place at the time of project closing, and income limits would be determined by the AMIs effective at the time of project marketing.

Mandatory Inclusionary Housing (MIH)

Example MIH Building – Option 1

# of Units	AMI Level	3-person HH Income	Sample 2BR Rent
10	40%	\$40,960	\$931
5	60%	\$61,440	\$1,443
10	80%	\$81,920	\$1,955
75	-	-	Market Rent

Sample incomes are shown based on a 3-person household and 2020 income limits. MIH rents would be determined based on the income limits in place at the time of project closing, and income limits would be determined by the AMIs effective at the time of project marketing.