Office of Council Member Antonio Reynoso

Lessons from Williamsburg and Bushwick:

Mandatory Inclusionary Zoning and Affordable Housing Development

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All across Brooklyn, the hot real estate market is pushing rents higher and making it harder for long-time residents to stay in their communities. No neighborhood is immune—from Sunset Park to Bushwick to Brownsville, the pressure shows no signs of relenting.

Meanwhile, the city is currently debating its first Mandatory Inclusionary Housing (MIH) policy. The Mayor's proposal will come before the City Council for consideration next month. The fact that many community boards have voted against the plan, recommending changes, indicates that the plan needs further adjustment. Yet with improvements, this proposal has the potential to be the strongest and most ambitious in the country. A successful plan for Mandatory Inclusionary Housing can help us take steps toward achieving the Mayor's ambitious goal of building and preserving 200,000 units of affordable housing in 10 years.

In this context, it is useful to assess what the lack of clear affordable housing requirements until now has meant to communities.

Looming over many neighborhoods is a sense of missed opportunity, of what might have been if the City had put in place real protections to help tenants stay in their homes and demand more affordable housing from developers. And nowhere are those sentiments more deeply felt than in North Brooklyn.

The following examines two paths taken—in Bushwick, where the current zoning includes no provisions for affordable housing development, and in Greenpoint-Williamsburg, where a strictly voluntary affordable housing plan accompanied a large-scale upzoning in 2005.

In Bushwick, we see what happens when a low-income community and a hot housing market collide without a rezoning. In Williamsburg-Greenpoint, we see the need for replacing underperforming voluntary affordable housing programs with mandatory requirements.

North Brooklyn is a cautionary tale, showing how essential a new MIH policy will be to the future of our borough and our city. Especially now that the future of the 421-a tax abatement program is uncertain, a successful MIH program is more important than ever for providing guaranteed affordable housing.

The following analysis shows that if an MIH policy had been in effect in areas of North Brooklyn, thousands more families would have affordable housing today, and fewer longtime residents would have been displaced.

GREENPOINT-WILLIAMSBURG:

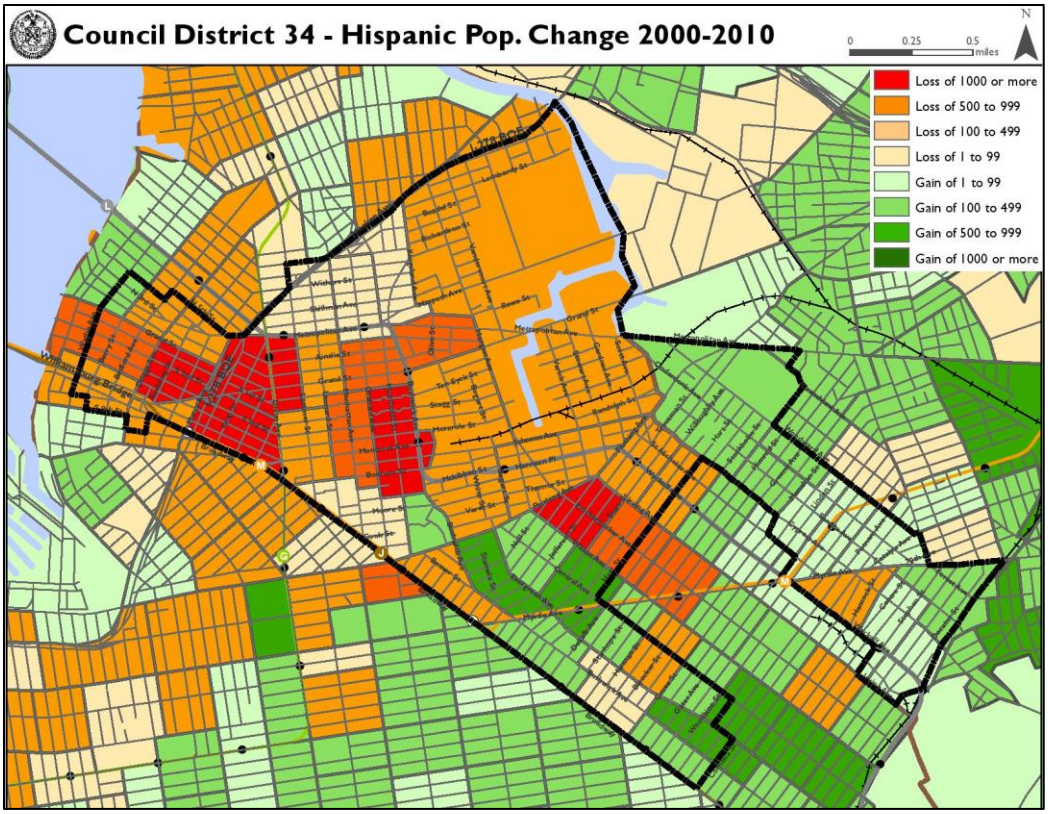
The Bloomberg administration rezoned the Greenpoint Williamsburg Waterfront (GWW) in 2005. This was one of the largest rezonings since the City's modern zoning code took effect in 1961, with more than 175 blocks of primarily industrial waterfront rezoned for residential and mixed-use construction. The rezoning allowed for high-density towers along the water's edge, and lower density residential and mixed-use buildings on the upland blocks. While the 2005 rezoning included a number of provisions and commitments that have been controversial within the North Brooklyn community, this analysis seeks only to focus on development of affordable housing.

The 2005 rezoning included a Voluntary Inclusionary Housing component that gave developers the option to take a density bonus in exchange for providing affordable housing either onsite or within the community district.

Since the rezoning, a total of 9,167 new housing units have been constructed or planned in the rezoned area.[1] Of these, only 1,487 units (16%) percent are affordable, and of those, only 1,190 units (13%) are permanently affordable under the Voluntary Inclusionary Housing Program.[2]

A Mandatory Inclusionary Housing policy would require developers to build affordable housing instead of rewarding them for choosing to provide it. If an MIH policy had been in place requiring 30% of the units in the rezoned area to be affordable, the 2005 rezoning would have generated 2,751 permanently affordable units, 1,561 more than exist or are planned today.

Assuming that the income targets and sizes of these units matched the needs of the community, these units could have made a meaningful impact on the displacement that occurred in North Brooklyn after 2005 -- between 2000 and 2014, the Latino population of Williamsburg's Southside decreased by 34%[3].



[1] Data for this study was provided by the Departments of City Planning (DCP) and Housing Preservation & Development (HPD). District 34 map provided by City Council's Land Use Division.

[2] Other affordable housing programs besides inclusionary zoning, such as the 421-a tax program and some subsidy programs provided by HPD, can create affordable housing that may become market rate after the expiration of a regulatory agreement.

[3] The Latino population of the seven Census tracts that make up Williamsburg's Southside decreased from 20,426 in 2000 to 15,133 in 2010.

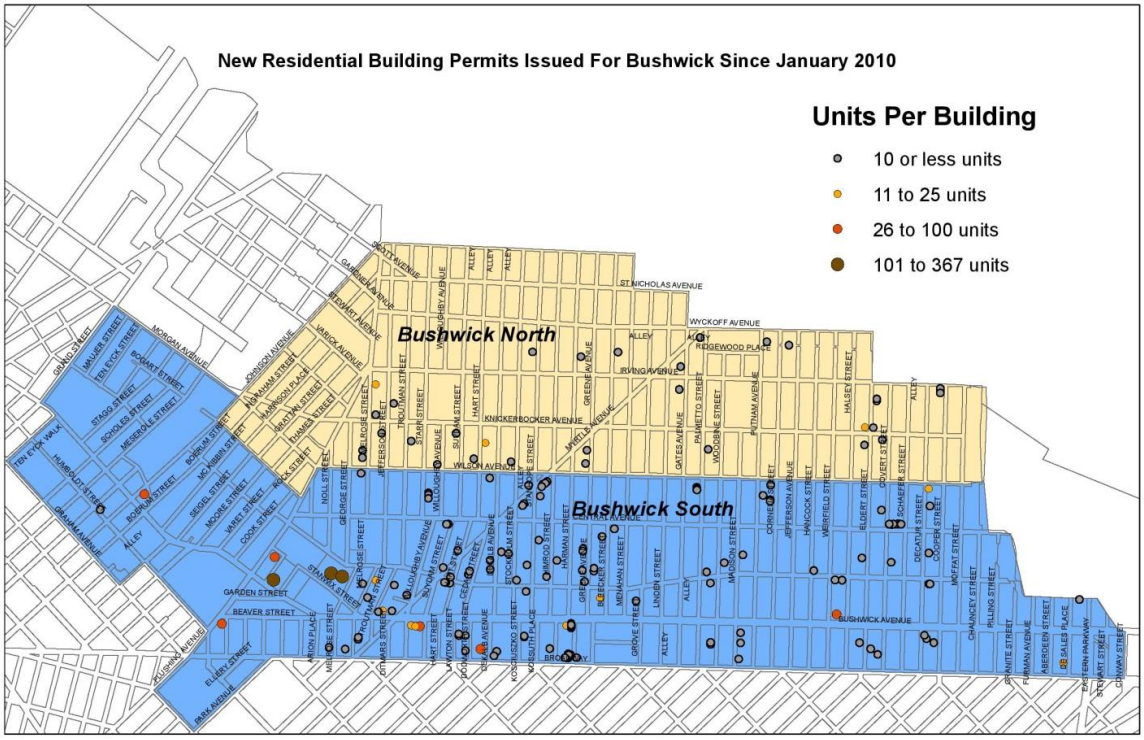
Of course, an MIH program is not the only solution we have for affordable housing development. The City still must do its part to preserve existing affordable housing and develop it on City-owned sites. This administration has followed up on many commitments made in the 2005 rezoning, including adding new developments at 65 Commercial Street in Greenpoint, and LPC Warehouse and Greenpoint Hospital in Williamsburg, into the pipeline.

BUSHWICK:

Meanwhile, neighboring Bushwick maintains the original zoning it has had since 1961, and the community is facing the intense pressures of an unrelenting real estate market.

Much of the neighborhood is zoned R6, which allows for the development of tall buildings with no affordable housing. Residents have expressed concerns about the proliferation of out-of-scale towers that are being developed on mid-blocks and bringing new, luxury units to the neighborhood that are out-of-reach to the longstanding community. The median household income in Bushwick is about $40,000/year, as compared to about $57,000/year in the city as a whole.

The map below shows new residential building permits issued in Bushwick since 2010 – a total of 206 buildings including 2,305 units. The numbers indicate an upward trend; 53 buildings including over 1,400 units were permitted in 2015 alone. Of these units, only 285 (12%) have been built or planned as affordable. Had an MIH policy been in place, an estimated 676 (29%) of these units would have been built or planned as affordable, and the majority of these would have been permanently affordable.[4]



[4] Analysis includes HPD and 421-a units, and assumes an MIH program that requires 30% affordable housing in buildings over 10 units.

As the real estate market continues to put pressure on the community, a rezoning in Bushwick has the potential to both dictate a more responsible approach to development and, using an MIH policy, guarantee that much-needed, permanent affordable housing is built.

Again, Mandatory Inclusionary is not the only means to solving Bushwick's housing crisis. However, together with a strong affordable housing preservation agenda and a comprehensive, community-based planning framework, an MIH policy that meets the community's affordability needs will be one of the tools in the toolbox we can use to maintain a diverse and thriving neighborhood.

NEXT STEPS:

As the Council considers and negotiates this proposal, it is important for us to listen to community concerns. Missed opportunities, as described above, have left communities fearful of becoming the "next Williamsburg." They want to be sure that this new proposal will benefit local residents, and they know that what works in Brooklyn may not work in Queens.

But let's not lose sight of the big picture. Our city is experiencing an affordability crisis, and the real estate boom is going to continue putting pressure on our neighborhoods. An MIH policy will ensure that desperately needed affordable housing is developed along with market rate. In conversation with communities, we can work together to craft the best outcome possible and create new opportunities for working families to remain in the five boroughs.