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**Testimony before
New York City Council Land Use Committee
Subcommittee on Zoning and Franchises**

**Zoning for Quality and Affordability
Mandatory Inclusionary Housing Program**

February 10, 2016

Thank you members of the Committee for the opportunity to speak here today on the City’s proposed zoning proposals. My name is Edward Ubiera, Director of Policy for the Local Initiatives Support Corporation’s New York City Program. I am submitting this written testimony on behalf of LISC New York City.

About LISC NYC

LISC is dedicated to helping transform distressed neighborhoods into sustainable communities of choice and opportunity with good places to work, to do business and raise children. In New York City alone, LISC and its affiliates have invested over \$2 billion—leveraging over \$5 billion for low- and moderate-income communities resulting in over 36,000 units of affordable housing and over 2 million square feet of retail and community space.

LISC’s role in Affordable Housing

In partnership with community-based organizations, the preservation and development of affordable housing has been and continues to be at the core of our work. Our platform of technical assistance and lending products and our role as a thought partner with local government stakeholders were key in providing community-based organizations the tools and capacity needed to transform neighborhoods during an era of disinvestment and abandonment. However, we are facing a different set of problems today stemming from a crisis in housing affordability and a crisis in supply. As this commission is aware, more than 50% of households in New York City are cost burdened. There is also insufficient housing supply for extremely low and very low-income households.

We Support ZQA

LISC NYC believes that the citywide “Zoning for Quality & Affordability” is a thoughtful and reasonable proposal that will make it possible for mission-oriented developers to design and build more attractive -- and most importantly more affordable housing. By our analysis, when approved and

implemented, ZQA will not compromise the character of the livable, mixed use, and contextually zoned neighborhoods we have grown to love. To ensure that neighborhoods maintain the balance between density and character, we strongly encourage the City Council to modify the proposed ZQA text to require a formal mechanism for community board consultation.

We agree with the core elements of the proposal that will modernize design guidelines and allow for increased density. For years, nonprofit developers of affordable housing have faced many challenges in applying the current zoning rules to their affordable housing projects. ZQA offers some common sense changes that will make it easier to design and build on irregular sites without having to get special approvals that require extra time and cost. Also, the addition of ceiling height to ground floors will facilitate the development of more viable commercial spaces, especially for mom and pop stores that add street vitality.

We support the ZQA provision that makes parking requirements optional for new affordable and senior housing. We believe it makes sense to allow existing senior housing developments with underutilized parking spots to convert them to either additional housing, open space, or other community amenities. Parking spaces are expensive and especially difficult to justify given the low levels of auto-ownership by many residents of senior housing and affordable housing. However, we urge the City to make sure that public transport investments in designated “Transit Zones” are sufficient when additional units are added to a neighborhood. Community-based organizations who build housing understand the transportation needs of their neighborhoods, and are confident that they will be able to weigh these needs as they make design choices with the additional flexibility provided by ZQA.

Mandatory Inclusionary Zoning (MIH) Should Be Complemented With More Tools To Combat Displacement & Harassment

A key element of New York’s Housing Plan is the proposal to establish a Mandatory Inclusionary Housing policy – the first ever in NYC. In concept, we are supportive of policy efforts like MIH that seek to increase the supply of affordable housing, and harness market forces to deliver affordable units, mostly without subsidy. Since MIH was proposed in 2015, we have been in regular contact with our key community partners who are on the front lines of the housing crisis to better understand their concerns. As this Committee is aware, these concerns revolve around the knotty issues of affordability, speculation, displacement and landlord harassment.

We support MIH’s goal of requiring housing for a wide range of household incomes, as economic diversity is healthy for our city. However, we remain concerned that the affordability options in MIH may not deliver sufficient benefit to households with the greatest housing need, namely very low-income households. We encourage the City Council to require that deeper layers of affordability be added to the MIH zoning text and to ensure that HPD subsidies are focused in such a way to maximize the amount of deeply affordable units that can be delivered in rezoned neighborhoods. Community-based organizations are part of the solution to this problem. Delivering and managing deeply affordable units is what they do well. Given the current marketplace of expensive acquisition and building costs, new and flexible financing tools will have to be deployed to strengthen the ability of nonprofit developers to deliver these much needed, deeply affordable units. New tools that the City Council should consider include extending financial guarantees to nonprofit developers, providing nonprofit developers a right of first refusal in tax lien sales, and discounting water and sewer charges for nonprofit owned rental housing that provides deep affordability.

Additionally, measures beyond the scope of the zoning proposal are also needed to ensure that low-income households in rezoned neighborhoods remain protected from speculative real estate pressures. We encourage the City Council to heed the concerns of the nonprofit community development sector whose 30 year track record of partnering with the City preserved tens of thousands of units of affordable housing in dozens of neighborhoods. We recommend that the traditional tools and resources available for code enforcement, tenant organizing, and legal services be strengthened and deployed with even greater strategic focus so that neighborhood groups can be at the forefront of a comprehensive, pro-active, anti-harassment and anti-displacement initiative. Part of this initiative might include the creation of “anti-harassment districts” with monitoring responsibilities shared with neighborhood groups.

Finally, there is an emerging consensus in the community development field that making households resilient against displacement and harassment pressures also requires that households have steady income, good credit, and savings strategies. Many community-based organizations are working with low-income New Yorkers to build wealth and assets in their neighborhoods. The City Council should ensure that community organizations have the resources necessary to deliver asset and wealth building programming in low-income neighborhoods.

We welcome serving as a thought partner to the City Council on these matters.

Thank you for the opportunity to testify.

February 10, 2016

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