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**Testimony on Zoning for Quality and Affordability
Hearing of the City Planning Commission**

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Thank you Chairman Weisbrod and members of the Commission 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 NYC is dedicated to helping nonprofit, community development corporations (CDCs) and locally-based organizations transform distressed neighborhoods into sustainable communities of choice and opportunity with good places to work, do business and raise children. Over the last 35 years, LISC NYC and its affiliates have invested over \$2 billion which has leveraged over \$5 billion for low- and moderate-income communities across New York City. This has resulted in over 36,000 units of affordable housing and 2 million square feet of retail and community space.

LISC's role in Affordable Housing

In partnership with local CDCs, 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 CDCs 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 modest 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.

We agree with the core elements of the proposal that will modernize design guidelines and allow for increased density. For years, our partner CDCs 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 understand that much of the opposition to ZQA has come from advocates who are concerned about the changes to parking requirements. However, we urge you to weigh the feedback coming from affordable housing providers who know the issues very well. We support the ZQA provision that makes parking requirements optional for new affordable and senior housing. We also 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 and affordable housing. However, we urge the City to make sure that public transport in designated “Transit Zones” is sufficient when additional units are added to a neighborhood. CDCs who build housing understand the transportation needs of their neighborhoods, and we 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

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 September 2015, we have been in regular contact with our key CDC partners who are on the front lines of the housing crisis to better understand their concerns. As this Commission is aware, these

concerns revolve around the knotty issues of affordability, speculation, displacement and landlord harassment. Particularly, CDCs are concerned that unlocking land value in rezoned neighborhoods will unintentionally create displacement pressures. We strongly agree with the goal of providing incentives for building housing for a wide range of household incomes in the current proposal. However, we are concerned that the affordability options in MIH may not deliver sufficient benefit to households with the greatest need, namely extremely low and very low-income households.

We urge the Commission to listen carefully to nonprofit community development organizations in weighing feedback to MIH, particularly those with a track record of working in partnership with the City to develop and preserve affordable housing. Some welcome modifications to MIH that may address their concerns include:

1. Pegging the AMI requirements in MIH to the local neighborhood geography as opposed to citywide AMI levels;
2. Requiring that in each option available to developers that a certain percentage of units be affordable to very low-income earners; and
3. Implementing stronger mechanisms to ensure that low-income households in rezoned neighborhoods also benefit from new development and community amenities.

We understand that requiring deeper affordability and having stronger displacement protections may require programs and services outside the purview of zoning regulations. We welcome the opportunity to be a thought partner with the City in these efforts.

Thank you for the opportunity to testify.

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