

As virtually every part of our city grows, one piece remains fixed: the supply of land. That's why we must use our space more efficiently to accommodate growth while preserving—and enhancing—the city's quality of life.

We must provide enough housing; but we must not allow the production of units to eclipse other neighborhood needs—the balance of open space, parks, retail, and aesthetics that is essential to a healthy community.

With competing needs and limited land, we must unlock unrealized housing capacity, complete unfinished parks, and direct growth toward transit centers. By being smarter about our land-use strategies, we can realize the promise of an expanding population, while avoiding the pitfalls of unplanned and unbalanced growth

Land



Housing

Create homes for almost a million more New Yorkers, while making housing more affordable and sustainable



Open Space

Ensure that all New Yorkers live within a 10-minute walk of a park



Brownfields

Clean up all contaminated land in New York City



Housing



Create homes for almost a million more New Yorkers, while making housing more affordable and sustainable



Queens West, foreground

The saloons began appearing on Hunters Point in the 1860s. As travelers emerged from the new Flushing & North Side Rail Road, they stopped in at new restaurants before transferring to ferries that carried them across the East River to the shore of Manhattan.

The use would soon shift. Although commuters began to dwindle when the railroad started providing direct service to Manhattan, by then gas plants, chemical factories, and other types of heavy manufacturing had begun moving in. By the start of the 20th Century, Long Island City had one of the highest concentrations of industry in the country; some 300 companies employed 16,000 workers, making everything from automobiles to chewing gum.

But as manufacturing declined across the city, the factories and gas plants in Hunters Point also began to close. The saloons shut down. The land was stripped of its activity, leaving behind contaminated soil and a degraded creek. And that's how it stayed for decades.

Today, the southern edge of the waterfront sits stark against the Manhattan skyline; an empty stretch of land against the spires of the cityscape. On a day this past winter, the site was covered in crushed rock and debris; huge cement cylinders and tangles of heavy-duty wire rise in piles. But another shift is underway.

Clusters of tall skyscrapers are starting to rise in Queens West; since the first apartment building opened in 1997, developers have built 1,000 units, with more than 4,000 units either planned or underway. The City is slated to transform the remaining land with 5,000 new units—60% of which will be affordable to moderate and middle income New Yorkers. The former commuter outpost and industrial center is becoming the newest neighborhood in New York, just a five-minute ferry or one-stop subway ride from Manhattan.

You can see growth and reclamation across New York. Construction is at record levels. Swaths of decaying industrial land along the waterfront are being reshaped into new neighborhoods, with riverside promenades, parks, and housing. We are re-evaluating our city's land-use patterns at an unprecedented pace, with more than 60 rezonings in total encompassing over 4,500 blocks including the Brooklyn waterfront, Morrisania and Port Morris in the Bronx, and the west side of Manhattan.

Already, housing for more than 200,000 people is in the pipeline. As we look ahead to 2030, our challenge is to house nearly another 700,000 people between 2010 and 2030.

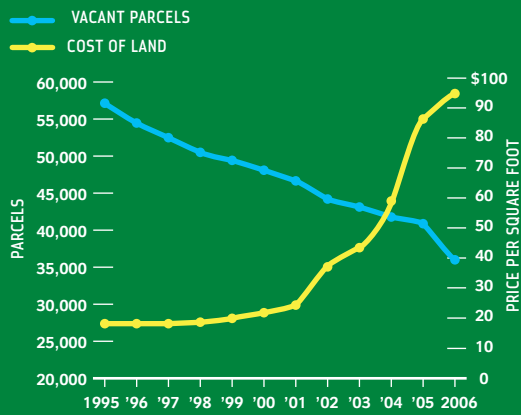
Growth on this scale is not impossible—indeed, we have done it before. In the last 25 years alone, we added nearly 315,000 new units, and more than 1.1 million new residents.

But two lessons from that period of development have emerged that should guide our growth over the next quarter century.

The first lesson is that all growth is not equal.

Vacant Land in New York City

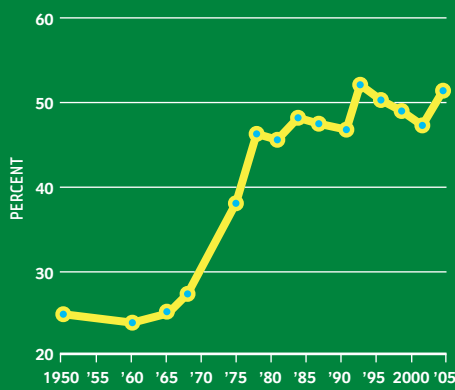
Supply and demand



Source: NYC Department of Finance

Rent-Burdened Households in New York City

Share of households with gross rent/income ratio over 30%



Source: U.S. Census Bureau Housing and Vacancy Surveys

As our city faces unprecedented levels of population, some fear that change will not enable opportunity, but rather erase the character of communities across the city. That is why we cannot simply create as much capacity as possible; we must carefully consider the kind of city we want to become.

We must ask which neighborhoods would suffer from the additional density and which ones would mature with an infusion of people, jobs, stores and transit. We must weigh the consequences of carbon emissions, air quality, and energy efficiency when we decide the patterns that will shape our city over the coming decades.

For most of the 20th century, New York's rapid growth followed the expansion of the subway system, as mass transit allowed residents of an overcrowded city to disperse to lower-cost land on the edges of the city—while giving them easy access to the jobs concentrated at the center.

We have not always made smart choices since. Between 1970 and 2000, many of our greatest areas of growth have been underserved by transit; many of our most connected urban centers have either lost population or experienced only modest growth.

Meanwhile, development pushed out into parts of the city that depend more heavily on cars. Although spreading housing across New York helped fuel the diversity of neighborhoods and lifestyle choices that distinguish our city, growth in these areas will not stay sustainable. As we face unprecedented levels of population, our growth moving forward must be more transit-oriented; this will stem increasing travel times and congestion on our roads, protect our air quality by avoiding the need for more cars, and reduce our global warming emissions.

In the last five years, we have turned the corner. New Yorkers have begun to shift back toward transit centers, into areas with exist-

ing density, and away from places with little ability or will to accommodate newcomers. While less than 70% of New York's population lives within a half-mile of mass transit, 80% of the housing unit capacity created since 2000 is transit-accessible.

Today, New York has an opportunity not only to grow, but to enhance the strengths of the city itself.

We have also learned that just planning for the required number of units will not be enough to assure affordability.

Not long ago, our greatest housing challenge was abandonment. But as our city's resurgence continues to attract record numbers of residents, the most pressing issue we face today is affordability. In 2005, more than half of all New Yorkers paid more than 30% of their income toward rent—among the highest burdens in the nation and a three percent increase from the previous Housing and Vacancy Survey in 2002. According to the Furman Center, the number of apartments affordable to low- and moderate-income New Yorkers shrank by 205,000 units between 2002 and 2005. In a recent poll, more than 64% of people cited housing costs as a major factor in moving out of the city. (See chart above: *Rent-Burdened Households in New York City*)

Low vacancy rates and increasing demand have plagued the city's housing market, providing upward pressure on housing prices. And despite the fact that housing production in 2005 and 2006 represented the highest two-year total for residential building permits since 1965, we still face a significant gap between the supply of housing and our population.

As potential building sites have become scarcer across the city, the land price component of housing costs has risen. And the supply continues to dwindle, helping to drive land prices to new levels. (See chart above: *Vacant Land in New York City*)

But one of the biggest pressures on housing prices has been the diminishing cushion between zoned capacity—the number of units that theoretically could be built according to the zoning code—and built units. As the number of housing units continues to rise, developers have to compete for a shrinking supply of vacant or under-built land.

This means developers pay a “scarcity premium” for the remaining sites, and that premium feeds into the price of new housing. The competition also empowers land owners to hold out for the highest possible price without worrying that developers will be able to find easy, comparable alternatives.

In its early history, New York avoided this problem. New York's zoning code in 1958 provided the potential for 55 million people to live in the city—when we had about 7.8 million residents. In 1961, the city overhauled its zoning ordinance, but it still provided potential for 12 million residents. But since then, despite recent rezonings, our overall capacity has actually decreased—to about 400,000 possible new units on soft sites.

That means we only have space—if every significantly underdeveloped and vacant site was developed to its full potential—to build new housing for 1.3 million more people. But many of the sites will not be developed to their maximum capacity. By 2030, we expect 900,000 more people to arrive. If supply is not created as fast as people arrive, affordability could suffer further.

The Mayor's \$7.5-billion *New Housing Marketplace Plan*, which will build or preserve 165,000 units for 500,000 people over 10 years, is more than has ever been done before. But it will not be enough through 2030. Housing 500,000 New Yorkers will be an historic achievement; but it must also be the beginning.

Our Plan

This new landscape will require new creativity. Not long ago, our housing strategies revolved around regenerating a market that had all but disappeared from too many New York City's neighborhoods. Our challenge today is to devise new ways to harness—and manage—the demand unleashed by New York's phenomenal success. We must nurture the forces that have infused communities from Fort Greene to Flushing with new energy, immigrants, up-and-comers, emerging families.

That means expanding our supply potential by up to 500,000 units to decrease the gap between housing supply and housing demand that has existed in recent decades. There are certainly other factors that impact housing prices. But of them all, land is the lever that the City holds most firmly. By increasing potential housing opportunities, the pressure to find building sites eases—and with it, prices.

We must also continue to vigorously pursue targeted affordability programs that seek out our most vulnerable populations and provide them with secure homes and needed support.

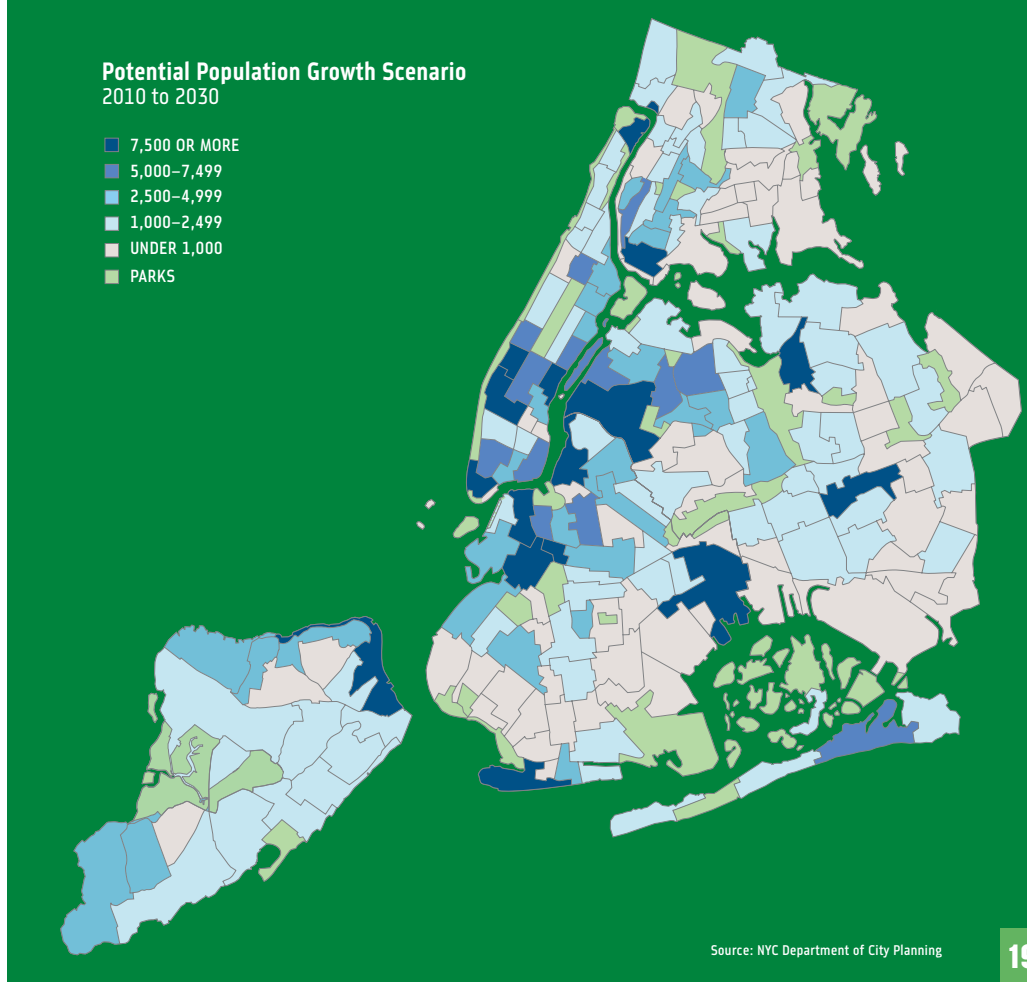
Much of this growth will occur without government intervention. Private owners will continue to submit private zoning applications to change the allowed uses and densities on their sites. Many of the larger opportunities are underway or on the horizon including the former Domino Sugar Factory on the Brooklyn waterfront and the former Con Edison site on Manhattan's east side. These and other private sites already in the planning and review process could contribute to more than 25,000 units of housing capacity, depending on market conditions.

But private rezonings will not be enough. That is why government must take the lead in ensuring sustainable growth in housing by continuing to work with communities on rezonings and maximizing the use of government land to create new housing opportunities. We must also be thinking more creatively about how to solve our housing needs into the future. That means exploring opportunities to create new sources of land by decking over infrastructure like highways and railyards—and in some cases building new infrastructure like subway extensions to make development more feasible. (See map above: *Potential Population Growth Scenario*; see map on following page: *Potential Additional Capacity For Residential Growth*)

This will help stabilize our market and provide broader affordability. But we must supplement this effort with targeted affordability programs that build on our ambitious efforts.

Potential Population Growth Scenario 2010 to 2030

- 7,500 OR MORE
- 5,000–7,499
- 2,500–4,999
- 1,000–2,499
- UNDER 1,000
- PARKS



Source: NYC Department of City Planning

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Taken together, these policies will not only accommodate 900,000 New Yorkers, but also create a more equitable, healthier, and sustainable city. The map above is a vision of what our city can become. In this scenario, 95% of

the new capacity would be created within a half-mile of mass transit, reaffirming the urban values of efficiency, mobility, and environmental responsibility.

Our plan for housing:

Continue publicly-initiated rezonings

- 1 Pursue transit-oriented development
- 2 Reclaim underutilized waterfronts
- 3 Increase transit options to spur development

Create new housing on public land

- 4 Expand co-locations with government agencies
- 5 Adapt outdated buildings to new uses

Explore additional areas of opportunity

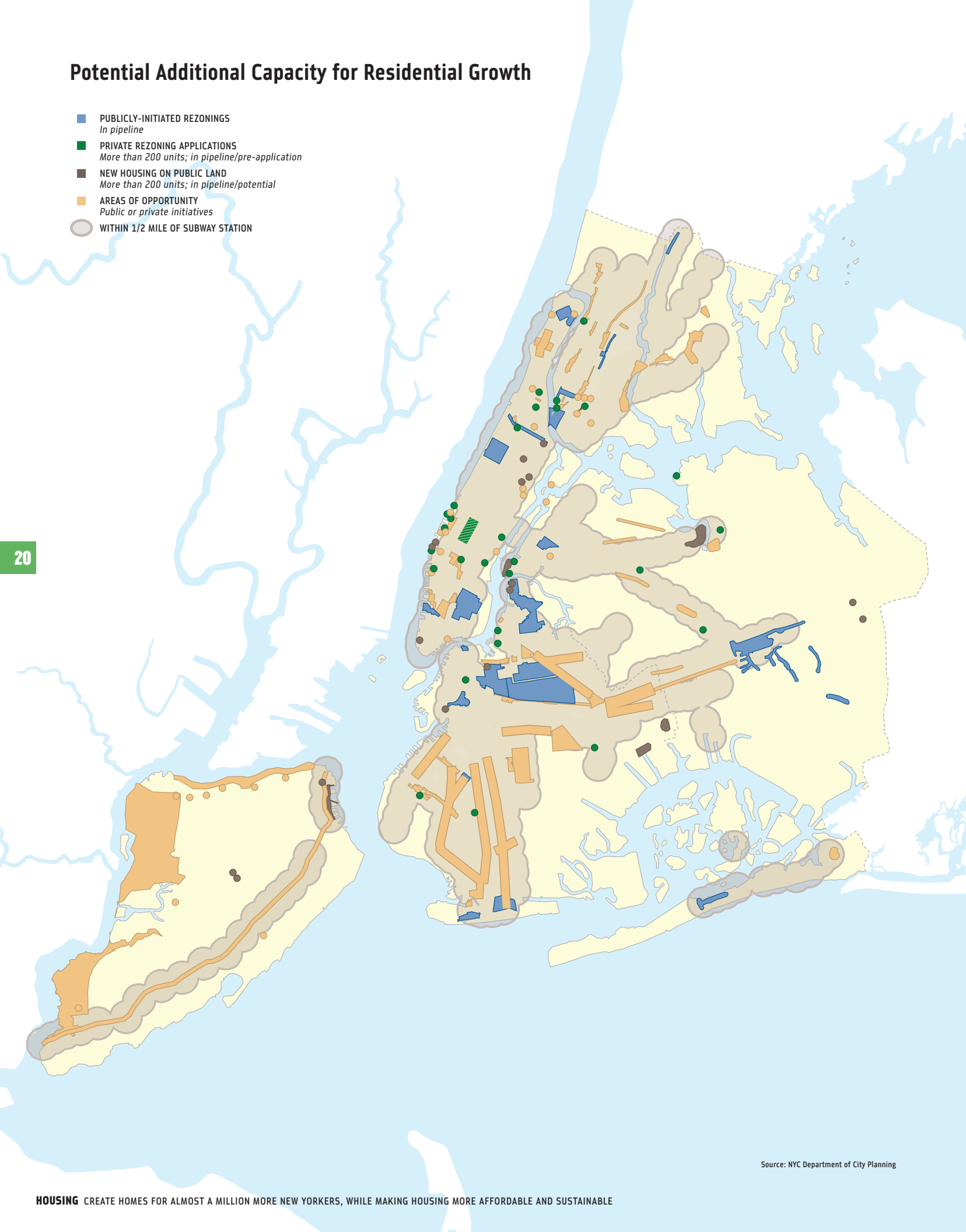
- 6 Develop underused areas to knit neighborhoods together
- 7 Capture the potential of transportation infrastructure investments
- 8 Deck over railyards, rail lines, and highways

Expand targeted affordability programs

- 9 Develop new financing strategies
- 10 Expand inclusionary zoning
- 11 Encourage homeownership
- 12 Preserve the existing stock of affordable housing throughout New York City

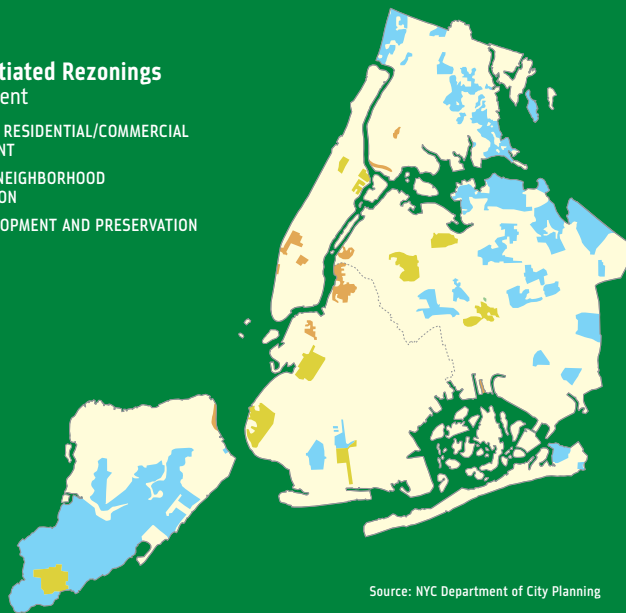
Potential Additional Capacity for Residential Growth

- PUBLICLY-INITIATED REZONINGS
In pipeline
- PRIVATE REZONING APPLICATIONS
More than 200 units; in pipeline/pre-application
- NEW HOUSING ON PUBLIC LAND
More than 200 units; in pipeline/potential
- AREAS OF OPPORTUNITY
Public or private initiatives
- WITHIN 1/2 MILE OF SUBWAY STATION



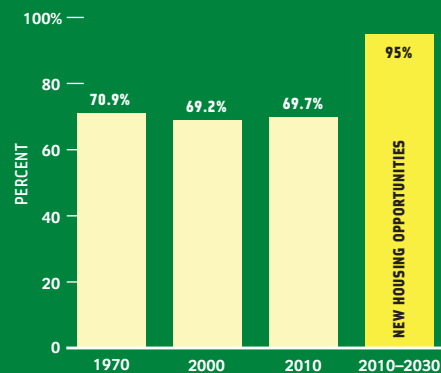
Publicly-Initiated Rezoning 2002 to Present

- FACILITATES RESIDENTIAL/COMMERCIAL DEVELOPMENT
- PROMOTES NEIGHBORHOOD PRESERVATION
- BOTH DEVELOPMENT AND PRESERVATION



Source: NYC Department of City Planning

Transit-Accessible Population in New York City People living within 1/2 mile of a subway



Source: NYC Department of City Planning

Continue publicly-initiated rezonings

Just 15 years ago, the waterfronts of Williamsburg and Greenpoint were areas left behind. Much of the activity slowly ebbed away after the loss of manufacturing industries along the East River. By 2000, these waterfronts and nearby neighborhoods were a mix of remaining housing, vacant and contaminated waterfront lots, and abandoned industrial buildings that had begun to be reclaimed by a new generation of Brooklynites for housing, art spaces, and craft industries.

Across New York, stretches of land—once teeming with life, action, activity, commerce—sat largely abandoned. As factories and ports closed down after World War II, the land stayed cut off from communities, the piers vacant, the old buildings empty. Our economy had evolved. Our land use did not.

But recently, that has begun to change.

In 2002, the City announced a plan to rezone the Greenpoint-Williamsburg waterfront, replacing the empty manufacturing sites with a mixture of housing, business and open space. The plan adopted in 2005 is expected to produce about 10,000 new housing units—a third of them affordable. Already, over 2,000 units have received permits, the first pieces of the waterfront esplanade are under construction, and the park is scheduled to break ground in 2009.

Greenpoint-Williamsburg has been part of one of the biggest transformations of the city landscape since the rezoning of 1961. In the past five years, nearly 4,500 blocks have been rezoned, with many more in the pipeline. (See map above: *Publicly-Initiated Rezoning*)

The City has set in motion plans to turn about 300 acres of railyards, auto repair shops, and parking lots in the Midtown Manhattan area known as Hudson Yards into a mixed-use commercial, residential, and hospitality district. The West Chelsea initiative is supporting the area's concentration of arts uses and promoting the transformation of aging factories and deteriorating streets into new residential and commercial spaces. Anchored by the conversion of an abandoned rail line into a world-class elevated park, the rezoning is reshaping one of the city's most distinctive and rapidly growing neighborhoods.

Along the way we have sought to ensure that every neighborhood's history and character is protected to preserve what attracted residents in the first place. Each block deserves its own unique consideration. For example, preserving the historic brownstone character of side streets was a primary goal of the recent rezonings in Park Slope and South Park Slope, but the City paired this with an upzoning of Fourth Avenue to promote density where additional bulk and height was appropriate.

Moving ahead, we will continue to ensure that the essential character of the city's communities remains intact as we seek out three main types of opportunities for public rezonings: continuing to direct growth toward areas with strong transit access; reclaiming underused or inaccessible areas of our waterfront; and exploring opportunities to spur growth through the addition of transit, as our subways did more than a century ago.

All of these rezonings together will create the potential for between 54,000 and 80,400 units of housing.



INITIATIVE 1

Pursue transit-oriented development

We will use upcoming rezonings to direct growth toward areas with strong transit access

Central to the City's rezoning strategy is identifying primary avenues and boulevards near transportation hubs whose width and access to transit enable them to support additional density. With easy access to multiple transportation options, these sites can accommodate increased residential development without straining the existing transportation infrastructure. (See chart above: *Transit-Accessible Population in New York City*)

Downtown Jamaica is one such example. There, the J, Z, and E lines and the AirTrain connect the Long Island Rail Road's local station to JFK airport, making it an important gateway for new arrivals to the city. As a result, Downtown Jamaica is a major transit hub, with more than 95,000 riders passing through the area's six subway stops each day. This concentration of transit means that thousands more residents and businesses could grow with modest investments in infrastructure—and without forcing an increased reliance on automobiles.

But much of the current zoning in Jamaica has been unchanged since 1961. This outdated zoning, and its restrictions on density, is one of the major obstacles to Jamaica's current and future economic potential. That's why the City is now engaging community stakeholders, neighborhood residents, and local elected officials in a public review process for the Jamaica Plan, which will build on

the strengths of the area to promote sustainable growth. It is among the largest rezoning efforts in the city's history.

There are other examples across New York. In Coney Island, the newly rebuilt Stillwell Avenue subway station is the genesis and terminus of several train lines in Brooklyn including the D, Q, N, and F trains. The Coney Island Strategic Plan will promote growth around this transit center, enhancing the area's historic attractions, while increasing affordable housing on vacant City-owned land.



INITIATIVE 2

Reclaim underutilized waterfronts

We will continue restoring underused or vacant waterfront land across the city

Although it once supported a flourishing shipping and industrial center, the city's waterfront has experienced a decline in such uses in the past 60 years. Today, New York City's 578-mile waterfront offers one of the city's greatest opportunities for residential development. Already, more than 60 miles of waterfront land is being reclaimed. But the City is evaluating a number of additional ambitious projects that will achieve similar goals as the Greenpoint-Williamsburg rezoning.

The land surrounding the Gowanus Canal in Brooklyn, once a thriving industrial waterway, is already evolving into a mixed-use neighborhood. Because the demand for industrial uses has decreased, a land-use study of the area can provide opportunities for residential development while preserving the neighborhood's existing character and remaining industrial businesses. Similarly, the Astoria waterfront in Queens presents an opportunity to extend residential uses through the creation of new housing while providing better access to the waterfront.



INITIATIVE 3

Increase transit options to spur development

We will use transit extensions to spark growth as the subways did more than a century ago

Today more than 2.5 million New Yorkers live more than half a mile from a subway stop. In these neighborhoods, the lack of transit has led to higher concentrations of drivers—contributing to congestion, air pollution, and global warming emissions; meanwhile, in many cases their development potential has never been realized.

Thousands of Bronx residents used to live along the elevated subway on Third Avenue before it was torn down decades ago. Today, many of the tenements that provided customers for that El are gone. If apartment buildings replaced the underutilized lots that remain, it could produce enough riders to justify installing more mass transit service.

But the lack of transit has prevented this development from occurring. By improving bus service along Webster Avenue, we can better connect residents to the subway system and the regional retail center at the area's main commercial center, the Hub, improve the quality of life for residents, and attract new investment in housing.

As one moves to the outer edges of the city, transit options become scarcer. By providing more neighborhoods with more travel choices, we will dramatically expand usable land within New York.

Create new housing on public land

As New York's population drained away during the 1970s, up to 30,000 units of housing were abandoned every year; Hunts Point and Morrisania alone lost over 60% of their population. But population loss was not limited to the South Bronx: 43 of the city's 59 community districts lost residents during this same time period.

As the abandonment spread and landlords walked away from their sites rather than maintaining them, the City became the "owner of last resort." Between 1976 and 1979, the City increased the stock of housing

it managed by forty times, from 2,500 to 100,000 vacant and occupied units. By 1979, the City was managing the same amount of housing that currently exists in Hartford and New Haven combined.

Since then, we have systematically transferred sites to private developers or sold land to produce more affordable units for New Yorkers. And almost 30 years later, we have virtually no land left. In August 2005, the City issued the last four major RFPs for City-owned land taken *in rem* through tax foreclosure.

That means our ability to supply land for new affordable housing opportunities has diminished, even as the need has grown. As a result, we must be more creative and efficient than ever in leveraging the land we have left.



INITIATIVE 4

Expand co-locations with government agencies

We will pursue partnerships with City and State agencies throughout the city

Although the City's supply of vacant or underused land is nearly gone, the City owns 43,000 acres for municipal purposes. Much of this land is fully developed for government operations, but significant opportunities exist for housing to co-exist with the current use—from libraries to schools to parking lots.

We will work with government agencies located in the city to maximize these "co-location" opportunities by assembling an inventory of sites and evaluating their potential as viable sites. Already, we are moving ahead with a partnership between the City's Department of Housing Preservation and Development (HPD) and the City's Department of Transportation to generate up to 1,100 new residential units on municipal parking lots, while replacing all or most of the current parking.

In Astoria, Queens, fenced-off pavement on 29th Street served as a municipal parking lot—despite the neighborhood's increasing urgency for senior housing. By 2009, the surface-level parking lot will be replaced by a new 15-story building, with an adjacent two-level subterranean parking garage for the public. The facility will be designed to reflect the needs of an aging Astoria population, offering 184 units of housing for seniors, commercial space for on-site medical offices, and open space. A senior center will be open to the

community in addition to residents. Topping off the multi-use building will be a green roof—sustaining not just the community's seniors, but the environment in which they live.

This partnership recognized the potential for achieving simultaneous goals on City-owned land: building affordable housing while preserving the supply of affordable parking spaces. The City will seek to form equally productive alliances with other government agencies and departments in its search for additional land for housing.

We will continue our partnership with the New York City Housing Authority (NYCHA) to build 6,000 new affordable units

When NYCHA first began building housing projects across New York in the 1930s, the design of public housing and its integration into the urban landscape differed from our understanding today. The buildings rose as tall towers surrounded by open space, set back from the street and without access to stores or retail. Built into the project were dozens, sometimes hundreds of parking spaces for residents, reflecting the automobile-centered focus of the mid-twentieth century.

These spaces are now lightly used—leaving stretches of the developments sitting as vacant concrete. That's why in 2004, NYCHA signed an agreement with HPD to begin targeting some of these empty areas for new housing. On the west side of Manhattan, 98 underutilized parking spaces were scattered across three separate sites. As part of the Hudson Yards rezoning, these areas will now be redeveloped to provide 438 units of affordable housing.

By 2013, we will develop 6,000 new affordable units through this partnership, including sites in East New York and East Harlem.

Additional opportunities exist to co-locate housing with other functions on government-owned sites. Near Surf Avenue in Coney Island, the Economic Development Corporation is partnering with HPD to create 152 units of housing integrated with a 40,000 square foot community center. Other examples of possible co-locations include schools, libraries, and supermarkets.



INITIATIVE 5

Adapt outdated buildings to new uses

We will seek to adapt unused schools, hospitals, and other outdated municipal sites for productive use as new housing

Across the city, dozens of sites are no longer appropriate for their original intended use; but can be reclaimed for a new purpose. Whether it is redeveloping abandoned warehouses or transforming closed hospitals—like the landmarked Sea View nurses' residence that will become a new housing project for seniors—we can preserve some of our most beautiful buildings while meeting the city's most critical housing needs.

As we move ahead over the next two decades, we must continue searching for other opportunities in underused schools, hospitals, and office buildings. Where appropriate we will partner with the Landmarks Preservation Commission to save this irreplaceable architecture and restore its place as an integral part of our evolving city. We can also rethink these buildings to meet some of our city's unique needs; P.S. 109 is currently being converted into artists' housing and studios. By working with HPD and the Department of Cultural Affairs to open new affordable spaces for artists, we can not only preserve our physical city but also its essential creative spirit. (See case study: *Re-imagining P.S. 109*)

CASE STUDY Re-imagining P.S. 109

The castle-like P.S. 109 once housed elementary school children from around its East Harlem neighborhood. In 1996, when the Department of Education witnessed a decline in the area's school-age population they closed the school, slating it for demolition three years later.

That's when East Harlem community groups stepped in, seeking to preserve the historic structure, with its slotted roofs and gargoyles intact. They won; and demolition plans were dropped.

But in the years following the decision, P.S. 109 sat abandoned. Surrounding school districts were only at 74% capacity; another school was not needed. That's when Artspace, a Minneapolis-based developer of art housing, and El Barrio's Operation Fightback, a community and housing advocacy organization in East Harlem, approached the City. They asked for the chance to turn the building into affordable housing for neighborhood artists.

Artspace and Operation Fightback are now on their way to converting P.S. 109 into 64 combined living and studio art spaces as part of a \$28.8 million renovation project.

The entire building will be affordable and residents from the East Harlem community, including local artists, will be given preference for 50% of the buildings units.

"The building wasn't being utilized, and now we're keeping it as a community center," said Gus Rosado, executive director of El Barrio's Operation Fightback.

Plans include a public space for arts education, and a gallery on the first floor.

"Real estate values in the area are going through the roof, and artists are getting squeezed out—they're the first to go, because they can't find space to practice their craft," Rosado said. "This gives them that opportunity, and it's affordable."

Explore additional areas of opportunity

We have also looked further into the future, well beyond current initiatives.

We have identified a number of areas of opportunity that bear investigation over the coming decades for their potential for new capacity. The areas have been selected because they promote our principles of sustainability, transit-oriented development, and walkability. Opportunities have been identified in every borough and collectively represent our largest area of potential growth—up to nearly 350,000 new housing units.

The development of these areas, and others still to be identified, will ultimately be decisions of new administrations and should only be adopted by working with communities, property owners and other stakeholders. Together they will face the challenge of creating plans that support existing communities while accommodating growth and recognizing environmental, infrastructure, and economic concerns. But based on our recent period of historic growth, we believe these initiatives have the potential to anchor new developments, while improving quality of life for New Yorkers.



INITIATIVE 6

Develop underused areas to knit neighborhoods together

We will continue to identify underutilized areas across the city that are well-served by transit and other infrastructure

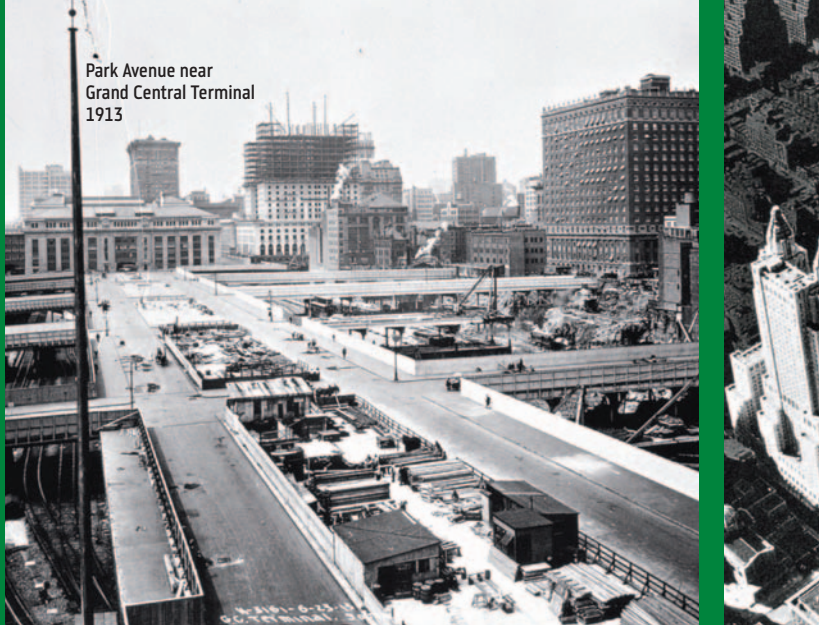
Throughout the city, there are areas that fail to take advantage of their significant existing infrastructure. New York City can accommodate part of our growing population by rethinking the uses in these areas.

Working together with communities, we can create places where people want to work and live. We have identified a number of locations to explore, including the Broadway Junction area of Brooklyn, where three subway lines and the Long Island Rail Road converge. But the zoning capacity has never matched this area's potential. By recognizing this neighborhood's ability to absorb responsible growth, we could create capacity for thousands of new housing units.

Creation of Park Avenue

At the start of the 20th century, the railyards around Grand Central Terminal had created an area that was dangerous and unusable. The City covered the tracks, hoping to attract new development around the rail terminal. By 1930, new buildings occupied every site that had been created.

Park Avenue near Grand Central Terminal 1913



Across the city, there are other examples of discrepancies between existing infrastructure and investment or strong communities located next to marginal areas. These include portions of Atlantic Avenue in Brooklyn, the Broadway corridor in Upper Manhattan, and the Third Avenue corridor in the Bronx.

Future studies may conclude that the uses in some of these areas are impractical for one or more reasons. Other locations are likely to be identified in the future. We will continue working with communities to identify opportunities for growth that strengthens neighborhoods, and all of New York.

The City is already pursuing this strategy in the Hudson Yards area of Manhattan where it's investing \$3 billion in extending the subway's 7 line and building new parks and streets. These investments will support about 100,000 jobs and more than 13,000 apartments in the immediate area and indirectly support employment for another 100,000 people, all in a location that is more transit-oriented than could be provided in any other city in the United States.

Similarly, creating a direct link between Long Island and Lower Manhattan will ensure that the nation's fourth largest business district remains a premier business location and will help attract users for the rebuilt World Trade Center site. But it can be much more than that. If we can find a way to connect it to the Second Avenue Subway, which we believe can be done, we can provide new and improved connections between Brooklyn and Manhattan. This will support both residential and commercial growth in both boroughs. And by extending this to Jamaica, we can provide a unique mass transit alternative for peripheral travel between Brooklyn and Queens and support both residential and commercial growth in Jamaica.



INITIATIVE 7

Capture the potential of transportation infrastructure investments

We will examine the potential of major infrastructure expansions to spur growth in new neighborhoods

Because so much of the transit system is already strained, investment in transit infrastructure is a key component of accommodating growth.

Once New Yorkers were crowded into neighborhoods like the Lower East Side at densities that approximate conditions in some of the world's most congested cities. By extending the city's subway system out into the then-open land of the so-called outer boroughs, we opened up new land for development, reduced overcrowding in Manhattan, and provided a diversity of living conditions throughout the city. While the city has very little open land remaining for future growth, it can incorporate the principle of using infrastructure investment to support future development.

Park Avenue near Grand Central Terminal 1930s



Expansion of Zoned Housing Capacity

	LARGE PRIVATE APPLICATIONS	PUBLICLY-INITIATED REZONINGS	NEW HOUSING ON PUBLIC LAND	AREAS OF OPPORTUNITY
TIME FRAME	2007–2030	2007–2009	2007–2013	2010–2030
Bronx	1,900	5,200–11,500	2,800	68,000–104,000
Brooklyn	4,500–5,000	11,200–25,300	8,600–10,700	86,000–174,000
Manhattan	13,800–14,500	11,100–15,600	7,100–8,100	18,000–22,000
Queens	5,500–6,200	25,400–26,900	9,500–19,000	29,000–39,000
Staten Island	700	1,100	1,400	7,600
SUBTOTAL	26,400–28,300	54,000–80,400	29,400–42,000	208,600–346,600
TOTAL				318,400–497,300

Source: NYC Department of City Planning



INITIATIVE 8

Deck over railyards, rail lines, and highways

We will explore opportunities to create new land by constructing decks over transportation infrastructure

Throughout the city, in all five boroughs, highway and rail infrastructure is essential to life in the city. But for the most part, they are places where communities stop; where neighborhood is divided from neighborhood. This need not be so. (See photos above: Creation of Park Avenue)

Exposed railyards, highways, and rail lines that cleave neighborhoods apart have periodically been built over to open up surrounding land for development—most notably along Park Avenue in Midtown. Just a few blocks west sits Caemmerer Yards in the Hudson Yards area, which will be decked over for housing, offices, a cultural center and public open space. There are numerous opportunities to reknit the city’s neighborhoods together.

As our search for land becomes more pressing in the coming decades, we must be prepared to work with communities to explore the potential of these sites.

Probably, the most frequently cited opportunity to use existing infrastructure sites more creatively is the Sunnyside Yards in Long Island City, Queens. With transit access nearby, and new commuter rail access planned as part of the East Side Access project, it has often been looked to as a potential development site. The open railyards span nearly 200 acres; developing even the first section could create hundreds of housing units with stores, schools, playing fields, and parks.

The site could also include an intermodal transportation facility at the intersection for

seven subway lines, the Long Island Rail Road, and Amtrak. Residents could walk directly and safely to the shopping on Steinway Street in Astoria; residents in Long Island City could commute from an LIRR station within their neighborhood and children from the surrounding communities could play on new ballfields. By developing the site, the City could create an entirely new neighborhood, connect long-separated communities, eliminate the noise and blight of an exposed railyard, and provide a transportation hub for anyone traveling to or from Queens and Long Island.

To be sure, any such development would be complicated. It is an active and essential rail yard that cannot be disrupted, and additional infrastructure construction as part of the East Side Access project is now underway. As a major portal to Manhattan, the area already suffers from traffic congestion. On the other hand, it offers an exceptional opportunity to expand the existing Dutch Kills and Hunters Point neighborhoods, to provide for new places of employment, and to connect the areas east and west of the yards that are now crossed by only a few streets.

Other examples of possible platform projects are the former railroad space adjoining the Staten Island Ferry that could be used to connect the St. George neighborhood to its waterfront, and the 36th Street Rail Yards on the southern edge of the Green Wood Cemetery in Brooklyn. Building on a platform over it could result in substantial new units of housing.

Exposed highways offer a similar opportunity. One such site is over the Brooklyn-Queens Expressway (BQE) between Carroll Gardens and Cobble Hill also in Brooklyn. Just south of Atlantic Avenue, the BQE dips into a depressed section of roadway bordered on either side by Hicks Street. Continuing straight through to the entrance to the Brooklyn Battery Tunnel, this sunken highway divides Cobble Hill and Carroll Gardens from the river and the community along Columbia Street.

A platform could be constructed over the below-grade section of the BQE to create nine new blocks of housing while reconnecting two neighborhoods. Another example of a disruptive highway that could potentially be covered over includes the Gowanus Expressway.

Some of these areas may be better suited than others for future development due to their accessibility to rail and mass transit, and the physical configuration of the sites. Given market conditions, some may not be able to support development for many years while others may make economic sense sooner. We know that the one-size-fits-all approach of earlier eras will not work. Building communities requires a carefully tailored approach to local conditions and needs that can only be developed with local input. We will begin the process of working with communities, the agencies that operate these facilities, and other stakeholders to sort through these complicated issues. (See table above: Expansion of Zoned Housing Capacity)

CASE STUDY

Abandonment to Affordability

Marina Ortiz can remember when she was a girl before her family left East Harlem.

They were not alone. During the 1970s, roughly 360,000 housing units were abandoned across New York. Harlem alone lost 100,000 people between 1950 and 1980. By 1985, the City owned nearly 60% of properties in the neighborhood.

Then Mayor Ed Koch launched a 10-year housing plan to reinvigorate fading neighborhoods. The plan produced or rehabilitated 155,000 units across the city between 1987 and 1996, catalyzing the revitalization of thousands of blocks, from the South Bronx to East New York.

Ortiz, 48, moved back to the neighborhood as soon as she could. But at a January PLANYC meeting held in Harlem, she came to express a new concern.

She likes it here, she said. She wants to stay. The waterfront is a few steps away, and in the other direction sits Central Park. Every summer there are cultural events, arts fairs, concerts, and festivals. She walks to work every morning.

But safer streets have attracted a series of new residents. Already, people she knows are being forced to move in with relatives, friends, and handfuls of strangers—or move out altogether.

Ortiz looked around the room, at the assembled city staff and fellow residents and raised her hand. “Over the next 25 years,” she asked, “where are we supposed to go?”

It is a question being asked across New York.

Our challenge has shifted from abandonment to affordability. That’s why in 2006, the City announced the expanded \$7.5 billion *New Housing Marketplace Plan* which will build and preserve 165,000 affordable units by 2013. In 2006, HPD and the Housing Development Corporation financed more than 17,000 affordable units across the city including more than 140 affordable units in East Harlem.

“I think housing development has been the greatest reason for the more positive changes in East Harlem,” Ortiz said. But there must also be “relief for the people who are living here, who want to move out of public housing and advance to the next level.”

Expand targeted affordability programs

New York’s recent boom in housing permits is already shrinking the gap between housing supply and demand.

But to truly address the challenge of affordability, we must pair these actions with targeted strategies to make sure that these new housing sources are available to the full spectrum of New Yorkers. Some income groups have found themselves priced out of the private market—but unable to benefit from the City’s affordable housing programs because their incomes are too high. To maintain a diverse workforce and a vibrant city, we must reach out to these groups and ensure that the City’s programs address the broadest range of housing needs.

To this end, we expanded our *New Housing Marketplace Plan* in 2006 to create and preserve 165,000 units of housing by 2013. HPD anticipates that 68% of the units will be affordable to households earning less than 80% of 2005 Area Median Income (which is approximately \$50,000 for a family of four or \$35,000 for a single person) and the remaining 32% of units will serve moderate and middle-income New York families.

But even though this plan is the most ambitious in American history, we know we will need to continue pushing for new options through 2030. (See case study above: *Abandonment to Affordability*)



INITIATIVE 9

Develop new financing strategies

We will continue to pursue creative financing strategies to reach new income brackets

Under the expanded 10-year *New Housing Marketplace Plan*, the City will create 92,000 new units of housing. But just like other cities across the country, New York City struggles to provide housing to a range of incomes. As a result of the existing resources available to create housing, HPD programs have traditionally targeted populations earning between \$20,000 and \$40,000 per year.

By enhancing our existing middle income programs and committing additional capital funding to develop a new Middle Class Housing Initiative, 22,000 units will be targeted toward New Yorkers earning between \$50,000 and \$145,000 per year for a family of four.

In addition, the New York City Housing Trust Fund will utilize approximately \$70 million of Battery Park City Authority revenues to target households earning below \$20,000 and households earning between \$42,540 and \$56,700.

Finally, the \$200 million New York City Acquisition Fund will be used as early stage capital to acquire privately-owned land and buildings that will enable the construction and preservation of 30,000 units of affordable housing.

All three programs provide new sources of funding to meet the housing needs of populations that have been underserved by City programs in the past.



INITIATIVE 10

Expand inclusionary zoning

We will seek opportunities to expand the use of inclusionary zoning, harnessing the private market to create economically-integrated communities

When the Department of City Planning (DCP) approached the rezoning of Maspeth-Woodside, Queens, it wanted to preserve the neighborhood’s rows of single-family houses settled along quiet, residential blocks. But along Queens Boulevard, the wideness of the street was not matched by the scale of the housing and shopping opportunities. So, in addition to acting to preserve the character of the interior blocks, DCP opened up the broader boulevards to a mix of affordable units and private market development. But this rezoning was different: the Maspeth/Woodside rezoning included the first inclusionary zoning program ever in Queens.

Inclusionary zoning enables developers to build larger buildings in exchange for dedicating a percentage of their units to affordable housing, either onsite or within a short distance. Traditionally, this strategy has been leveraged across Manhattan and emerging areas of Brooklyn, where the pace of development and surging demand has attracted record numbers of building permits. Developers have been eager to incorporate more units, and in exchange, create more affordable housing for neighborhoods, fulfilling the promise of the city—people from every background living side-by-side in a single neighborhood. Now that kind of demand is spreading across all of New York.

Already, we have incorporated inclusionary zoning provisions in Hudson Yards and West Chelsea on the west side of Manhattan and in Greenpoint-Williamsburg and South Park Slope in Brooklyn. Many other rezonings incorporating inclusionary zoning have been completed or are underway, including in Fort Greene and the Lower East Side. We must continue to maximize this strategy as we evaluate possible new rezonings to ensure that not only is more housing produced, but also that it is more affordable.



INITIATIVE 11

Encourage homeownership

We will continue to develop programs to encourage homeownership, emphasizing affordable apartments over single-family homes

Most people consider homeownership one of the foundations of the American dream. In New York City, the homeownership rate is the highest it has been since we began collecting information on homeownership in 1965: currently 33% of New Yorkers own their own homes. While this is an all-time high for the city, we will continue to encourage homeownership so that more New Yorkers can build equity and savings instead of spending money on rent that they will never recoup.

For those who do leap into the homeownership market, their choices have been constrained by the available supply. Smaller houses, including two-family and three-family homes, have traditionally provided the first opportunity for renters to become homeowners across New York City.

But in a strong real estate market, opportunities for the development of larger, affordable co-operative and condominium buildings have increased—and in some cases been introduced for the first time—into neighborhoods across the city. From Harlem to the South Bronx, new opportunities for the empowerment of homeownership are emerging, without fostering a suburbanized pattern of growth.

In the coming decades, we will continue to build on a range of financing programs and partnerships that encourage homeownership. Today, low-income New York City residents living in overcrowded or substandard housing conditions in Harlem, Queens or Brooklyn can qualify for financing through HPD programs,

such as Habitat for Humanity, towards the purchase of a home. For New Yorkers who don't have enough money saved for their down payment and closing costs, HPD's HomeFirst Down Payment Assistance program provides qualified home buyers with up to 6% of the home's purchase price.

In addition, we are continuing to partner with the Nehemiah program, a collaboration between HPD and a consortium of community-based churches in Brooklyn that over the past 15 years has constructed nearly 3,000 single-family homes in East New York and Brownsville. Under the Neighborhood Homes Program, HPD conveys occupied one- to four-family buildings to community-based not-for-profit organizations for rehabilitation and eventual sale to owner-occupants.



INITIATIVE 12

Preserve the existing stock of affordable housing throughout New York City

We will continue to develop programs to preserve the existing affordable housing that so many New Yorkers depend upon today

As we focus on developing affordable housing, we must not forget that a considerable stock of affordable housing already exists in New York. One particular stock of affordable housing that is at risk is the government-assisted stock. A significant number of New Yorkers rely on 250,000 units of affordable housing provided by the Mitchell-Lama program, the Low-Income Housing Tax Credit Program, and HUD-financed properties. These units represent an important long-term source of affordable housing for low and moderate-income New Yorkers. But, many of the original affordability restrictions set by the government to restrict rents on properties are now expiring, and in New York City's strong real estate market, owners are tempted to convert their buildings to market-rate. At the same time, some of these buildings have fallen into disrepair and need help improving housing conditions for their tenants.

To date, HPD has worked with partners to preserve these units using strategies catered to each building or group of buildings. One example of this is HPD's work with the U.S. Department of Housing and Urban Development (HUD) to preserve their properties. In

this case, HPD has arranged the successful transfer of more than 1,000 units from HUD's foreclosure pipeline to responsible new owners. But there are thousands more units we need to preserve. Over the coming years, we will work to create a comprehensive strategy to preserve these units with the goal of providing incentives to owners to keep their buildings affordable or to transfer them to responsible ownership. As the housing market in New York continues to evolve, the City is committed to adapting its preservation strategies to ensure we save this valuable stock of affordable housing. In fact, preserving 37,000 of these units is an explicit goal of the *New Housing Marketplace Plan*.

Conclusion

We have seen the shift that can occur over 25 years. Since 1980, the city's housing crisis completely reversed, from abandonment to affordability. Each question has been equally urgent.

We recognize that the strategies discussed here—rezonings, maximizing affordability on public land, looking at new areas of opportunity, developing innovative financing programs, expanding the use of inclusionary zoning, and supporting home ownership—will have to be adjusted as the market changes, and new approaches may need to be added. Our efforts must reflect the dynamism of New York and its growing population if we are to be successful in addressing the city's housing needs. We must be prepared to respond with creativity and compassion as newer challenges emerge.

The mixture of residents will determine, more than anything else, the kind of city we become. By expanding supply possibilities to create healthier market conditions, we can continue ensuring that new housing production matches our vision of New York as a city of opportunity for all. The building blocks are mixed-income communities.

But this principle will not change: If New York loses its socioeconomic diversity, its greatest asset will be lost. We can—and must—do better.