



Department of
Housing Preservation
& Development

HPD New Construction

Working in Partnership to Bring More Affordable Housing to NYC

What is Affordable Housing?

Housing is considered “affordable” when a household spends no more than $\frac{1}{3}$ of its income on rent and utilities.

Affordable housing is usually achieved through a combination of below-market loans, subsidies, and tax incentives offered in exchange for a set of affordability terms written into a regulatory agreement for a set period of years, usually no less than 30, and sometimes permanent.

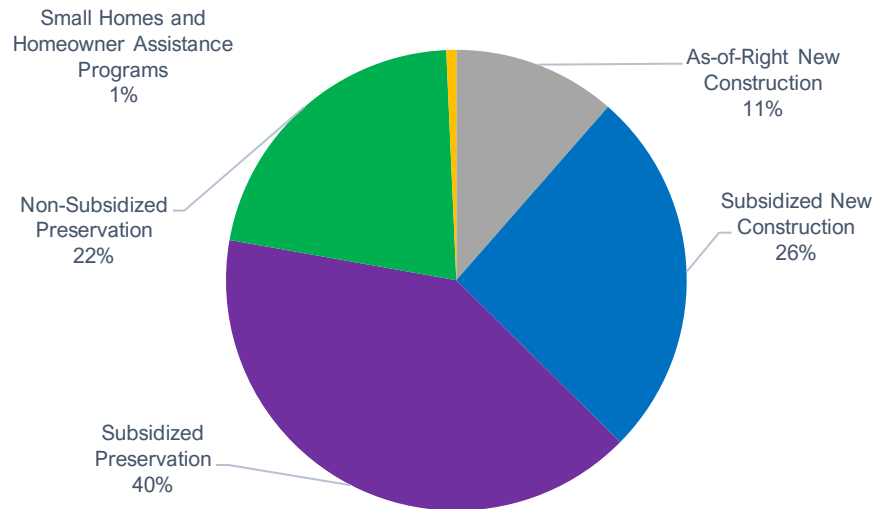
Affordable housing is *not*:

- Public housing, although public housing is a source of affordable housing
- Section 8 vouchers, although Section 8 vouchers can be used in coordination with affordable housing development
- Always low-income housing, although much of the affordable housing financed is for lower income households

Affordable housing production

3

Average Annual Production FY15-21
Average Housing Units: 22,500



DEV Project Types

Source of Property

- Privately-owned sites - Developers / owners apply to the City for low-interest loans, tax credits, and other incentives in exchange for building or preserving affordable housing
- Publicly-owned sites - The City awards property to private developers via competitive processes (RFP, RFQ, etc.) based on a range of factors, including affordability, and may also provide other financial assistance

Tenure: rental, ownership (coop, condo, small homes)

Financing Tools

HPD's financing programs typically combine direct subsidy with tax exemptions/abatelements to help with the acquisition, construction / rehabilitation, refinancing, and / or operations of buildings to ensure long term financial viability and affordability.

A. Acquisition

- Disposition of City-owned property
- NYC Acquisition Fund

B. Loans

- Senior or subordinate loans per terms of HPD programs
- Capital / Reso A
- HDC subsidy and/or bond financing

Financing Tools

- C. Real estate / property tax incentives (e.g., 420-c, Article XI, J-51)
- D. Tax credits
 - 9% credits available through annual competitive process
 - 4% available as of right with tax exempt bonds
 - Brownfields credits, historic credits
- E. Operations
 - Tenant or Project-Based Section 8
 - Other rental subsidies for supportive housing (e.g. NYC 15/15, ESSHI)
 - Energy and water efficiency savings programs

New Construction

HPD's Division of New Construction partners with federal, state, and other City agencies to help fund the development of affordable housing on both public and private sites.

Programs and Affordability

- **ELLA** – Rental projects with majority of units affordable up to 80% of AMI
- **Mix and Match** - Rental projects affordable to households earning up to 165% of AMI
- **NCP** - 1-4 family homes and small MF rental buildings serving households 80-165% of AMI
- **Open Door** - 1-4 family homes and coops for sale to households earning 80-165% of AMI
- **M2** - Rental projects affordable to moderate- and middle-income families. May include market rate units in high value neighborhoods.
- **SHLP** - workhorse supportive housing production program. 60% supportive set aside
- **SARA** – 100% age-restricted developments with 30% homeless or supportive set-aside

(Some) priorities

- Sustainability
- Addressing the homelessness crisis
- Serving New Yorkers of a wide range of incomes
- Building where we haven't produced units before
- Supporting and collaborating with MWBE developers
- Collaborations with faith based institutions

(Some) challenges

- Robust resources but limited vis a vis demand
- Rising hard costs, operating costs, interest rates
- Project complexity = delays = cost escalation



CASE STUDY: BRONX POINT A

NEIGHBORHOOD CONTEXT



DEVELOPMENT PLAN

BRONX BLOCK 2356, LOTS 2
575 EXTERIOR STREET

544,389 GSF MIXED-USE BUILDING + OPEN SPACE

RESIDENTIAL

- 454,144 GSF
 - 542 TOTAL UNITS
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COMMUNITY FACILITY

- 56,792 GSF
 - UNIVERSAL HIP HOP MUSEUM (UHHM)
 - BRONXWORKS EARLY CHILDHOOD CENTER
 - CITYSCIENCE
 - COMFORT STATION
-

COMMERCIAL

- 14,997 GSF
 - TENANT(S) TBD
-

ESPLANADE

- NEW 2.3 ACRE PARK
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DEVELOPER

- L+M & TYPE A PROJECTS
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AFFORDABILITY PROGRAM

Affordability Level	Unit Mix				Totals % of Project	
	Studios	1-BRs	2-BRs	3-BRs		
Formerly Homeless	50	15	15	1	81	15%
30% of AMI	17	32	16	16	81	15%
50% of AMI	21	43	22	22	108	20%
80% of AMI	47	50	33	33	163	30%
100% of AMI	0	52	36	20	108	20%
	135	192	122	92	541	100%

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- LOWER CONCOURSE NORTH REZONING POINTS OF AGREEMENT SET AFFORDABILITY LEVELS
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- 80% LIHTC ELLA
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- 100% PERMANENTLY AFFORDABLE
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- MIH OPTION 1
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