**5. Impact of New York City Rezonings on Affordability**

Up to 123 rezonings have occurred throughout New York City under the Bloomberg Administration. They include contextual rezonings, downzonings and inclusionary zoning that carry the promise of affordable housing preservation and development.

Three rezonings in particular were examined as part of this study to determine their success in carrying out this promise: the East Village / Lower East Side Rezoning (2008), the South Park Slope Rezoning (2005), and the Greenpoint / Williamsburg Contextual Rezoning (2009). All three of these rezoning actions include contextual rezoning as well as Inclusionary Housing in designated areas.

Information obtained from the Department of City Planning and the US Census, numerous reports and studies provided key analysis and evaluation of rezoning trends and programs. They include the Furman Center’s State of New York City’s Housing and Neighborhoods 2012, and a report on Inclusionary Zoning in New York City prepared by the Office of Council Member Brad Lander, released in August 2013, evaluating the effectiveness of this program in providing affordable housing.

**East Village / Lower East Side Rezoning** This 111-block contextual rezoning, approved by the New York City Council in 2008, sought to preserve the existing scale of the neighborhood and provide modest opportunities for residential growth along wide avenues through upzoning and use of the voluntary Inclusionary Housing program. Despite efforts by City Council Member Rosie Mendez to include anti-harassment provisions and to increase the percentage of affordable housing units in the Inclusionary Housing Program, the full Council approved the rezoning as recommended by the City Planning Commission. The application of contextual rezoning responded to the increasing number of tall buildings that had been constructed in the area under the existing zoning. An estimated 348 affordable housing units was expected to be developed under this voluntary program. Only 59 units have been generated to date. The median contract rent in the Lower East Side/Chinatown increased by 15% between 2008 and 2009, the highest increase among all three rezoning areas. In a more recent comparison, the median monthly rent for all renters in 2011 was $895, while the median monthly rent for recent movers was $1,713.34 The index of housing price appreciation for multi-family buildings with 5 or more units, used by the Furman Center for Real Estate and Urban Policy to measure the relative change in property values over time, more than doubled between 2006 and 2012, a further indication of gentrification. The number of rent-stabilized units in the area decreased by 14% or almost 4,000 units between 2005 and 2008.36 Although recent, sub-borough level data on rent-stabilized units are not yet available, the above trends are strongly indicative of gentrification in the area, even before the rezoning. Manhattan Community Board 3 recognizes that despite its efforts to retain affordable housing stock there has been a substantial displacement of long-time residents and small businesses due to increasing rents.

**South Park Slope Rezoning**  The South Park Slope rezoning, approved by the New York City Council in 2005, was intended to protect the predominantly low-rise character of this Brooklyn neighborhood , strengthen mixed use development on avenue corridors and provide incentives for affordable housing. Highlights of this 50-block rezoning include the mapping to contextual R5A and R5B of the existing standard R6 and R5 districts, and the upzoning of Fourth Avenue from R6 to R8A with an Inclusionary Housing bonus for developments providing affordable housing. The upzoning of Fourth Avenue, which was characterized by three-story walk-ups, auto repair shops and gas stations, spurred development of market-rate condominiums immediately after the rezoning was approved. Although the City Council and the Bloomberg Administration had set aside $6 million to stimulate construction of below-market rate housing along Fourth Avenue, developers did not take advantage of this initiative as they would profit much more by building only market-rate apartments. Between 2005 and 2011 Brooklyn Community District 6, which comprises Park Slope and Carroll Gardens, experienced significant growth and development. The population increased by 8% (8,000 people), and the median household income more than doubled (from $40,000 to $85,301). The number of public, subsidized and rent-regulated housing units decreased by 17% during the same period, from 68% to 51%, while homeownership increased, as well as the index of housing price appreciation for two to four-family buildings, which went up by nearly 23%. These changes strongly denote gentrification. In addition, although the rezoning was expected to generate at least 130 below-market-rate units, the Inclusionary Housing program has produced only 6 units since its implementation - in a single development on Third Avenue.

**Greenpoint-Williamsburg Contextual Rezoning** Greenpoint and Williamsburg in Brooklyn’s Community District 1 experienced two rezoning actions, approved by the New York City Council in 2005 and in 2009. The Greenpoint-Williamsburg Land Use and Waterfront Plan, approved in 2005, included the rezoning of 183 blocks, mostly on the waterfront, from manufacturing to residential, mixed-use and contextual commercial zoning districts. Highlights of this rezoning include application of the Inclusionary Housing program, one of the earliest enacted by the city, and anti-harassment provisions. The Greenpoint-Williamsburg Contextual Rezoning of 2009 added 175 inland blocks, replacing the area’s predominantly R6 zoning with contextual R6A, R6B. The R7A area allowed increasing the density along major commercial corridors, such as Grand Street, McGuinness Boulevard, and Manhattan, Metropolitan, Union and Bushwick Avenues. The Inclusionary Housing Program was also designated along these corridors. The contextual rezoning sought to address the recent as-of-right development of very tall buildings in areas characterized by two- and three-story buildings. Both rezonings combined were predicted to generate at least 1,878 below-market-rate units. However, the Inclusionary Housing program has produced only 949 units in 15 buildings since its implementation. The population of Community District 1 increased by 7.9% (12,745 people) between 2000 and 2010.50 The median household income increased by 36% between 2005 and 2011, from $35,000 to $47,927.51 During the same period, the number of public, subsidized and rent-regulated housing units decreased by 5%, from 74.3% to 68%. Although median monthly rent has not drastically increased in the same period, the median rent burden is 31% for all renters and 47% for low-income renters. Again, these changes suggest significant gentrification. Brooklyn Community Board 1 argues that low income residents are being displaced in large part due to HPD’s piecemeal approach to implementing its plans in the district, and that it should document displaced residents and give them preference when units become available. While CB1 stresses the need to fully fund and continue anti-harassment and displacement assistance services in the district, it is also critical of the way the anti-harassment initiative is being implemented. The Board contends that not all of the groups funded to undertake this initiative are located in the affected areas, and that it should be delivered at the grassroots level.

**Review of these three rezoning actions**, approved between 2005 and 2009, **allows one to conclude** the following:

• Contextual rezoning has been used throughout New York City as a successful tool to ensure that the height and scale of new developments is consistent with the existing built form**, not necessarily to preserve the existing population**. In this review, contextual rezoning was used to address as-of-right oversized development.

• As a voluntary program, Inclusionary zoning has not been successful in creating enough affordable housing units. Very few units were created under Inclusionary Housing in the three areas under review, while gentrification seems to have increased, according to statements by Manhattan CB3 and Brooklyn CB1. In South Park Slope, developers seem to make enough profit without the use of this program.

• As opposed to the more successful Clinton Special District, the Anti-Harassment district in Greenpoint-Williamsburg is not functioning as originally planned, and more efforts are needed to secure grassroots involvement in its implementation.

The above conclusions and those drawn from extensive examination of case studies and zoning tools that have been applied in New York City and elsewhere in the United States, clearly point to the Special Purpose District as the appropriate zoning tool for addressing multiple land use, affordability, economic development and historic preservation issues in Chinatown and its surrounding areas.