

Gowanus Neighborhood Rezoning Seminar Series

October 7, 2021



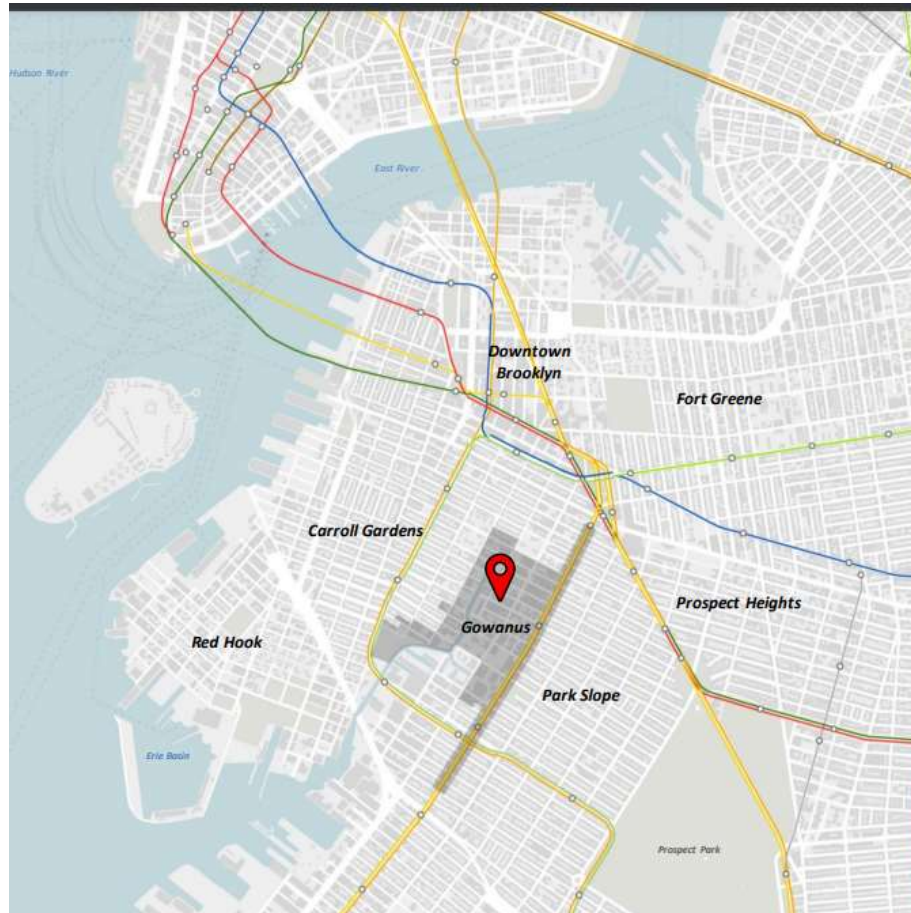
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Gowanus, MIH and 421-a Overview

- Gowanus Neighborhood Plan
 - Housing Objectives and Overview of Land Use Actions
 - Residential Zoning Changes and Waterfront Access Plan
 - Status of Public Review
- Mandatory Inclusionary Housing
 - What is Affordable Housing
 - Gowanus MIH Options
 - MIH Architectural Requirements and Application Process
- Affordable New York Housing Program
 - Overview of Program and Options
 - 421-a Requirements and Application Process
 - Vesting by Program Sunset Date

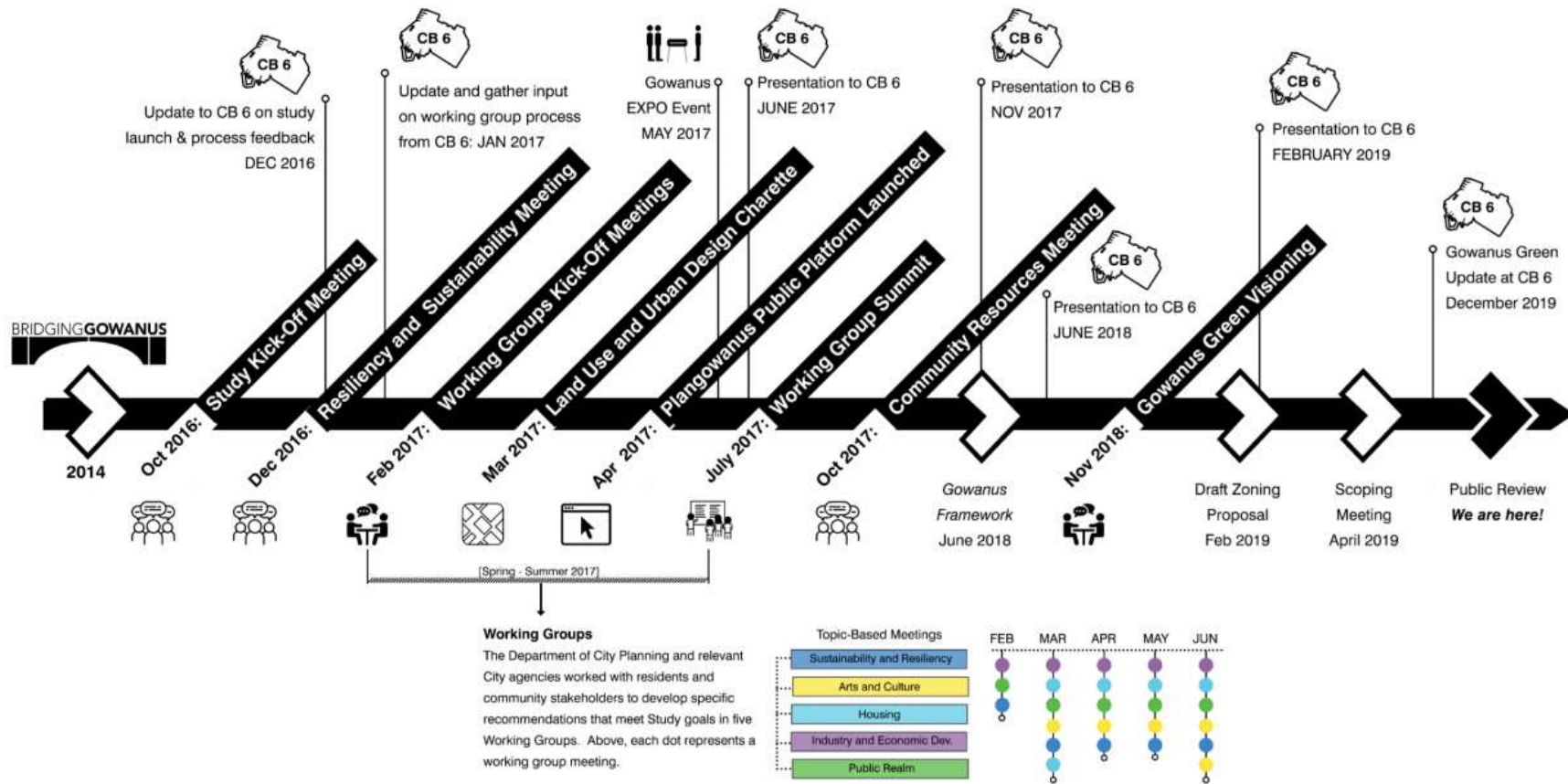
Gowanus Neighborhood Plan Rezoning

Geographic Area Covered by Rezoning



Neighborhood Plan – Community Outreach

Public Engagement



Neighborhood Plan Goals

Gowanus: A Framework for a Sustainable, Inclusive, Mixed-Use Neighborhood Structured around community priorities and organized by goals and strategies

- Sustainability and Resiliency
- Environmental Remediation
- Community and Cultural Resources
- Economic and Job Development
- Transportation
- Land Use and Urban Form
- Housing
 - Support individuals and families to achieve economic stability, live in safe and healthy homes, and enjoy a sense of community that allows people of all different backgrounds to call Gowanus home
 - Create housing for a diversity of income levels
 - Advance affordable housing development on publicly-owned land
 - Educate tenants about their rights and available resources to prevent displacement
 - Educate and engage residents on fair housing issues

Gowanus Rezoning – Land Use Actions

- **City Map Amendments**
 - Mapping of new streets and parkland, elimination of certain streets
- **Urban Development Action Area Project and Disposition of City Owned Property**
 - Designation of portion of Block 471 as a UDAAP to facilitate the development of the Gowanus Green project
- **Disposition of City-Owned Property**
 - To facilitate the transfer of development rights from City-owned property

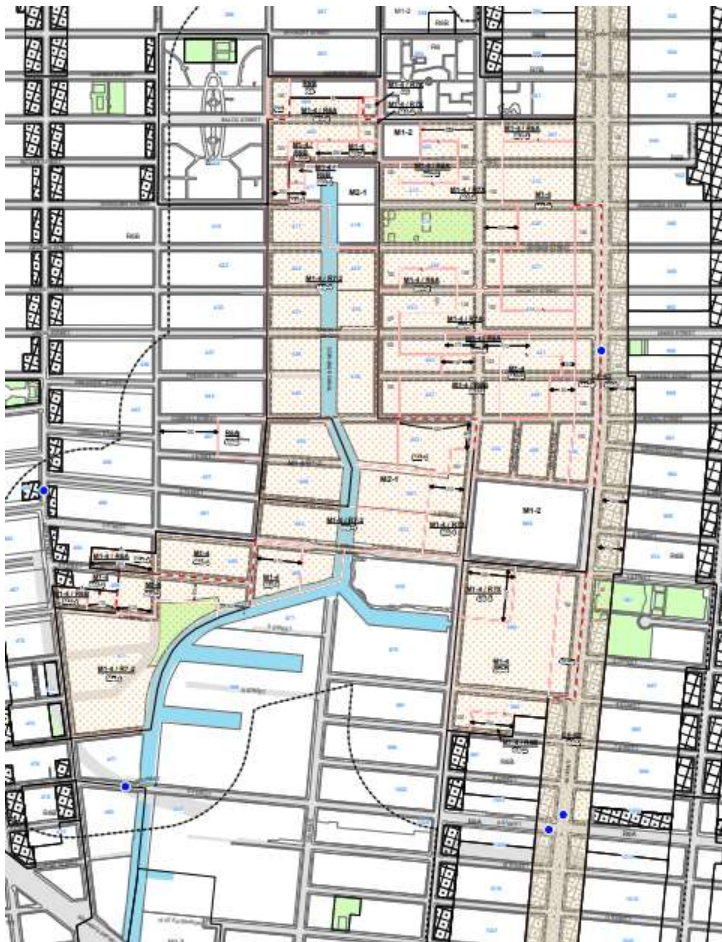


NYC

Gowanus Rezoning – Land Use Actions

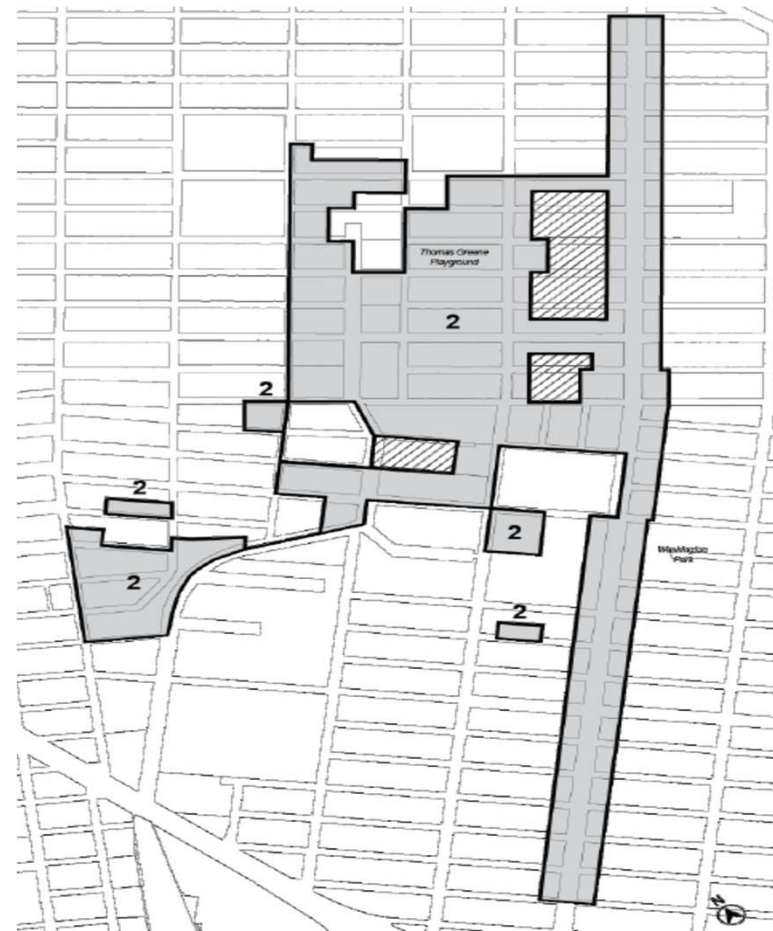
Zoning Map Amendments

Zoning Change Map



Zoning Text Amendments

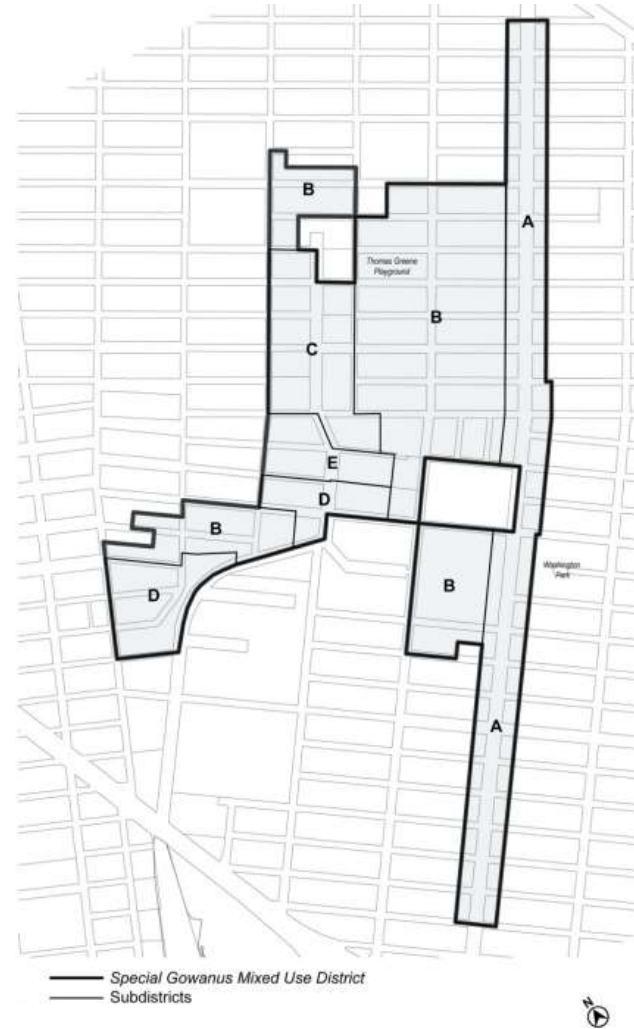
MIH Area Map – Appendix F



Special Gowanus Mixed Use District

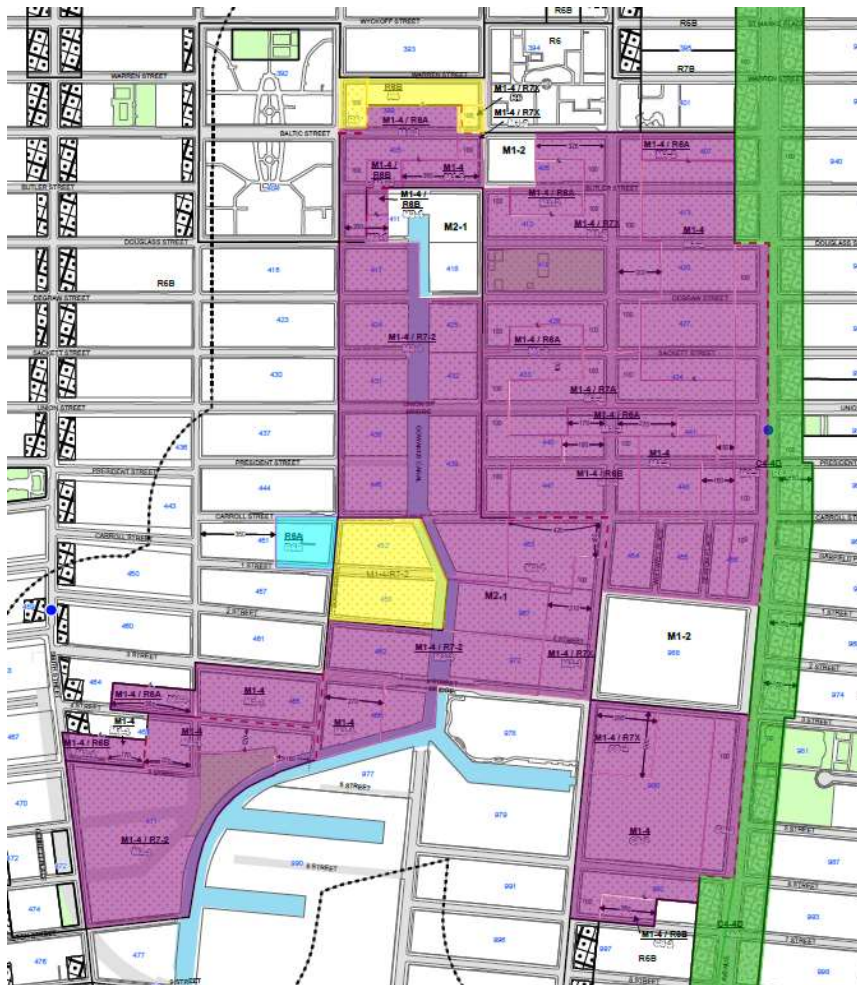
Specially Tailored Use and Bulk Controls

- Five Subdistricts
 - Subdistrict A – Fourth Avenue Subdistrict
 - Subdistrict B – Upland Blocks Subdistrict
 - Subareas B1 and B2
 - Subdistrict C – North Canal Corridor Subdistrict
 - Subdistrict D – South Canal Corridor Subdistrict
 - Subareas D1 through D6
 - Subdistrict E – First Street Subdistrict
- Gowanus Canal Waterfront Access Plan

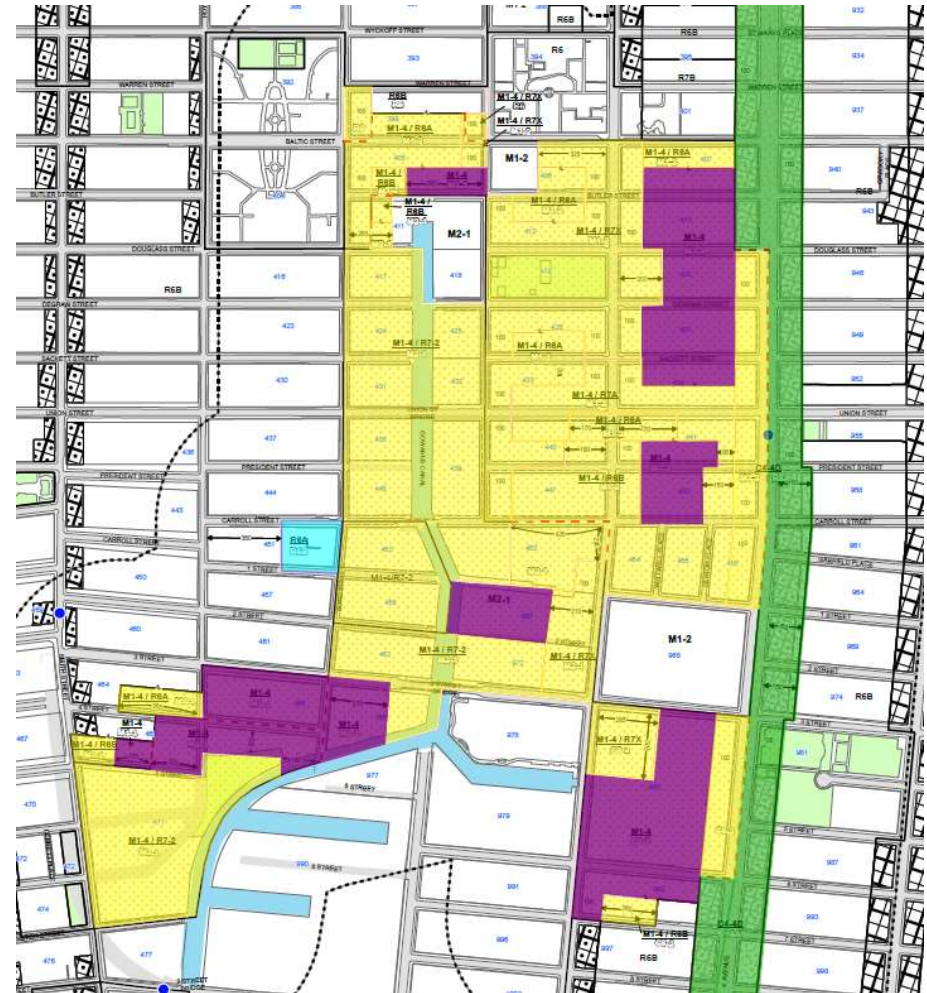


Zoning Changes to Facilitate Residential Housing







Existing Zoning – C8 and M Districts

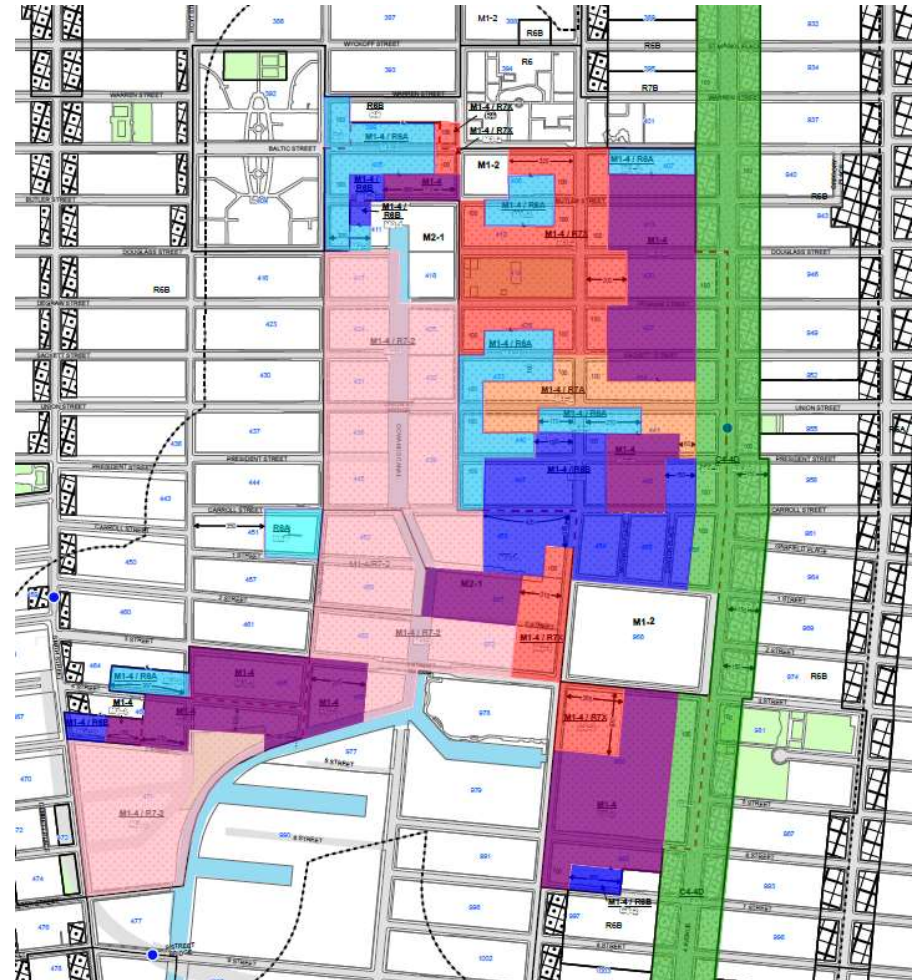


Districts Allowing Residential



Zoning Districts – Permitted Residential FAR

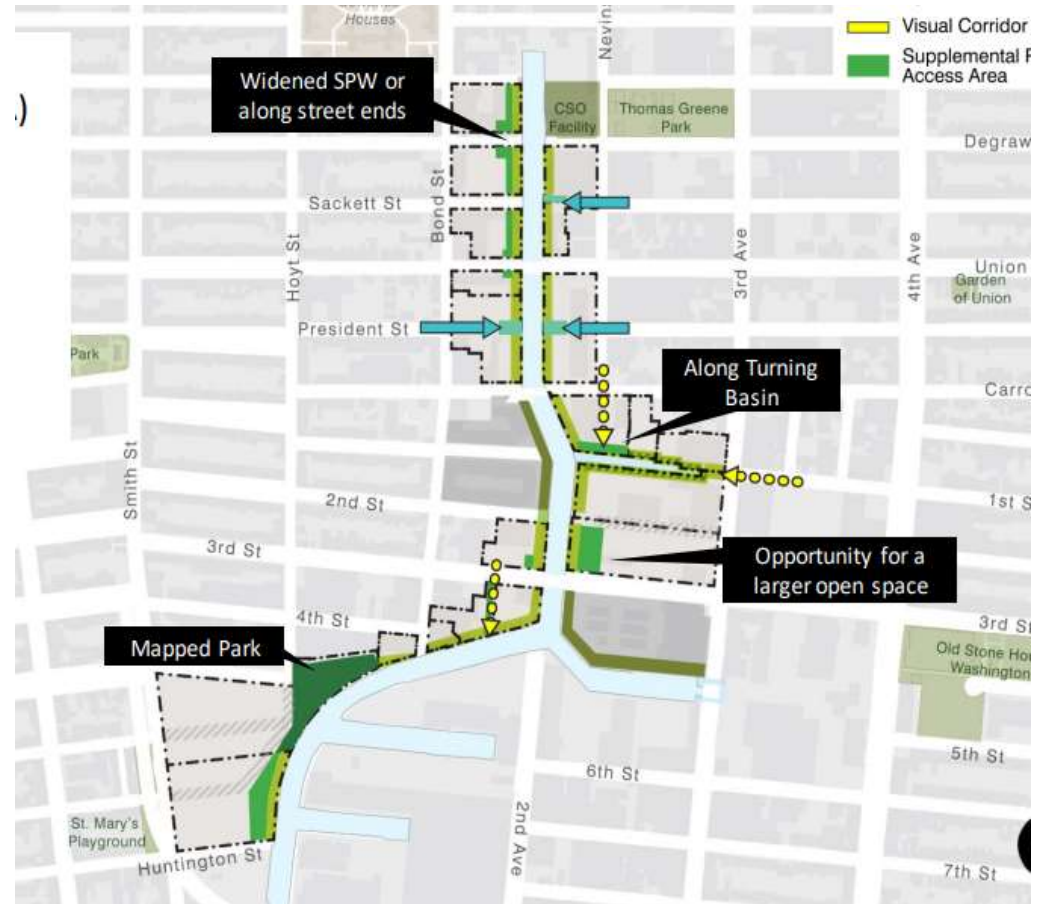
-  M1-4/R6B
 - Res. FAR 2.2
-  M1-4/R6A
 - Res. FAR 3.6
-  M1-4/R7A
 - Res. FAR 4.6
-  M1-4/R7-2
 - Res. FAR 4.4
-  M1-4/R7X
 - Res. FAR 5.6 (R7D Equiv. FAR)
-  C4-4D (Typically R8A Equiv.)
 - Res. FAR 8.5 (R9A Equiv. FAR)



Special Gowanus Mixed Use District

Waterfront Access Plan

- All blocks/zoning lot adjoining Gowanus Canal are waterfront blocks/zoning lots
- Waterfront Access Plan tailors waterfront public access to unique built environment and features of the Canal
- WAP dictates the public amenities (visual corridors, waterfront public access, supplemental public access)
- Zoning lots with 5.0 FAR must provide 20% of lot area as WPAA, zoning lots with 3.0 FAR must provide 20% WPAA



Status of Public Review – ULURP



- **City Planning Certification – April 19, 2021**
- **Brooklyn Community Boards 2 and 6**
 - CB 2 – unfavorable recommendation issued June 21, 2021
 - CB 6 – approved with conditions on June 23, 2021
- **Brooklyn Borough President – Approved with conditions on August 24, 2021**
- **City Planning Commission – Approved**
 - Hearing held on June 28, 2021; Vote on September 22, 2021
- **City Council**
 - Zoning and Franchises Subcommittee currently scheduled for October 12, 2021
 - Potential 15-day CPC review of any modifications (scope determination)

Mandatory Inclusionary Housing in Gowanus



Area Median Income and Affordability in NYC

- **Area Median Income (AMI)** is determined by the federal Department of Housing and Urban Development annually.
- For affordable tenants, **no more than 30% of their income** is spent on rent each year including any utilities a tenant pays.

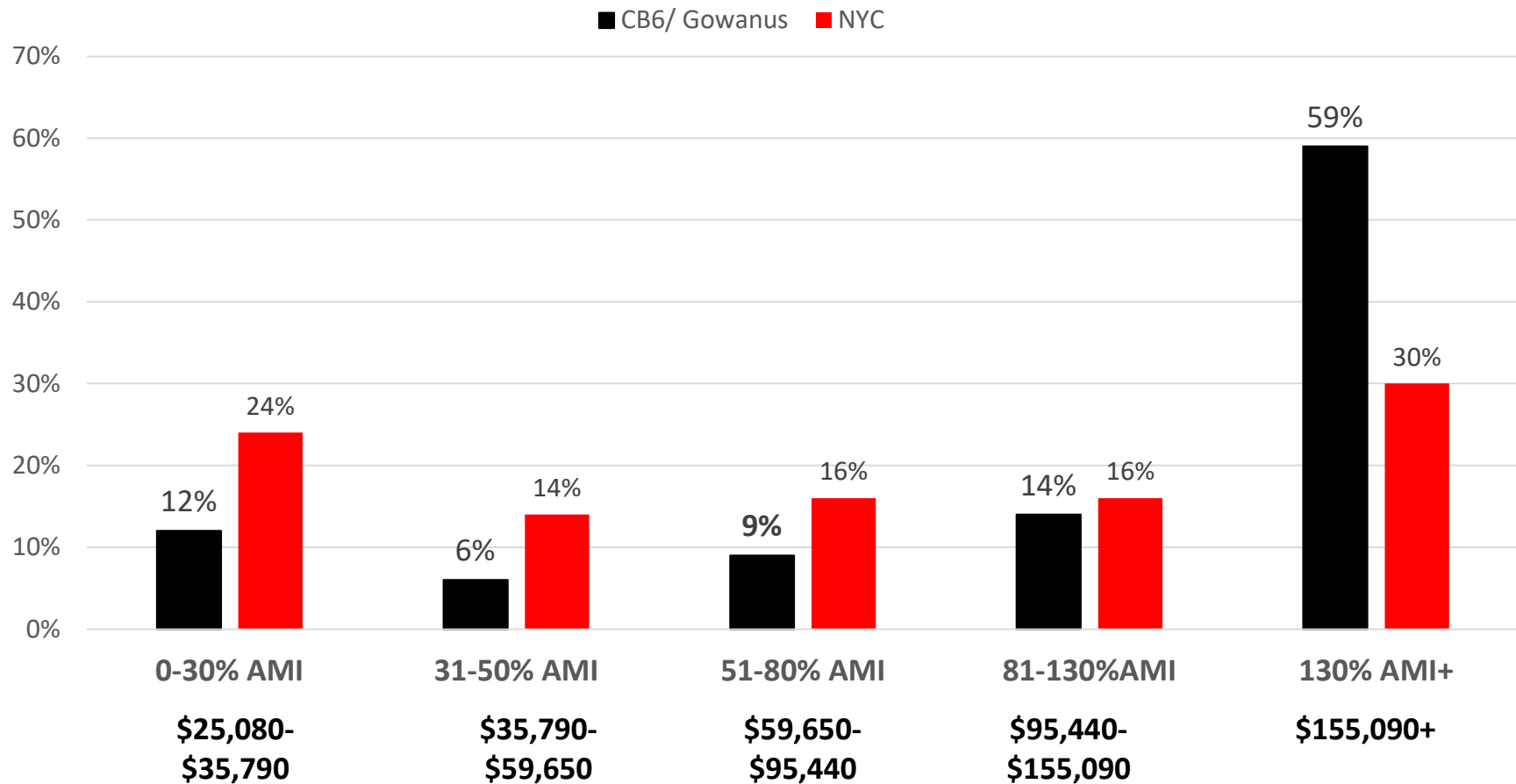
100% AMI



\$119,300 for a family of four
(New York Metro Area –
2021 Rent and Income Limits)




Household Income Distribution

Gowanus vs. NYC



Mandatory Inclusionary Housing Text

Amendment in Gowanus

-  *Inclusionary Housing Designated Area*
-  *Mandatory Inclusionary Housing Program area* see Section 23-154(d)(3)
Area 2 ([date of adoption]) - MIH Program Option 1, Option 2, Option 3
-  *Excluded Area*



MIH Program Options

Applies in Most Private Upzonings and New City-Wide Rezoning Areas

Must Map Either Option 1 or Option 2

	ELIGIBLE PROJECTS	AFFORDABILITY REQUIREMENT
1	Only three income bands permitted Cannot exceed 130% AMI	25% of RFA @ Average 60% AMI Must include 10% @ 40% AMI
2	Only three income bands permitted Cannot exceed 130% AMI	30% of RFA @ Average 80% AMI

Restriction Period: Permanently Affordable

Local Council Member may also map the options below

	ELIGIBLE PROJECTS	AFFORDABILITY REQUIREMENT
3	<i>Deep Affordability</i> No direct subsidies could be used for these units except where needed to support more affordable housing	20% of RFA @ Average 40% AMI
4	<i>Workforce Option</i> This could not apply to Manhattan Community Districts 1-8 No direct subsidies available No income band can exceed 135% AMI	30% of RFA @ Average 115% AMI

Restriction Period: Permanently Affordable

Sample MIH Development in NYC

- 100,000 zsf of residential development including a total of 100 units
- Project will comply with MIH Option 1 and will be required to have at least 25% of the residential floor area as affordable housing floor area (~25 MIH units)

Size	Count	Rent*	Income Limit
40% AMI - 8 units			
Studios	3	\$772	\$33,440
1BR	3	\$823	\$35,820
2BR	2	\$981	\$42,960
60% AMI - 9 units			
Studios	3	\$1,190	\$50,160
1BR	3	\$1,271	\$53,730
2BR	3	\$1,518	\$64,440
80% AMI - 8 units			
Studios	3	\$1,608	\$66,880
1BR	2	\$1,719	\$71,640
2BR	3	\$2,055	\$85,920

*Rents are based on HPD's 2021 Rent and Income Limits and assume tenant pays electric.

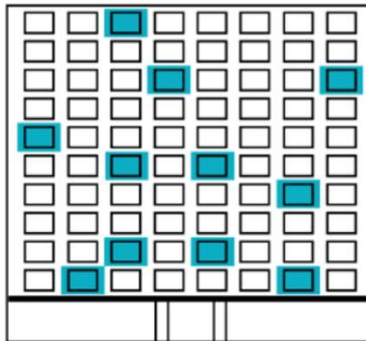
MIH Design Requirements

- Zoning Resolution Section 23-96 requires certain distribution requirements to comply with MIH and there is some overlap with 421-a Requirements in planning for your new development

Apartment Distribution

Vertical Distribution

For rental buildings, MIH units must be distributed throughout at least **65%** of the building's stories.



Bedroom Mix

1. At least **50%** of MIH units must be **two-bedrooms** or greater, and **75%** of MIH units must be **one-bedroom** or greater,

OR

2. The bedroom mix between affordable and market-rate dwelling units must be **proportional**.

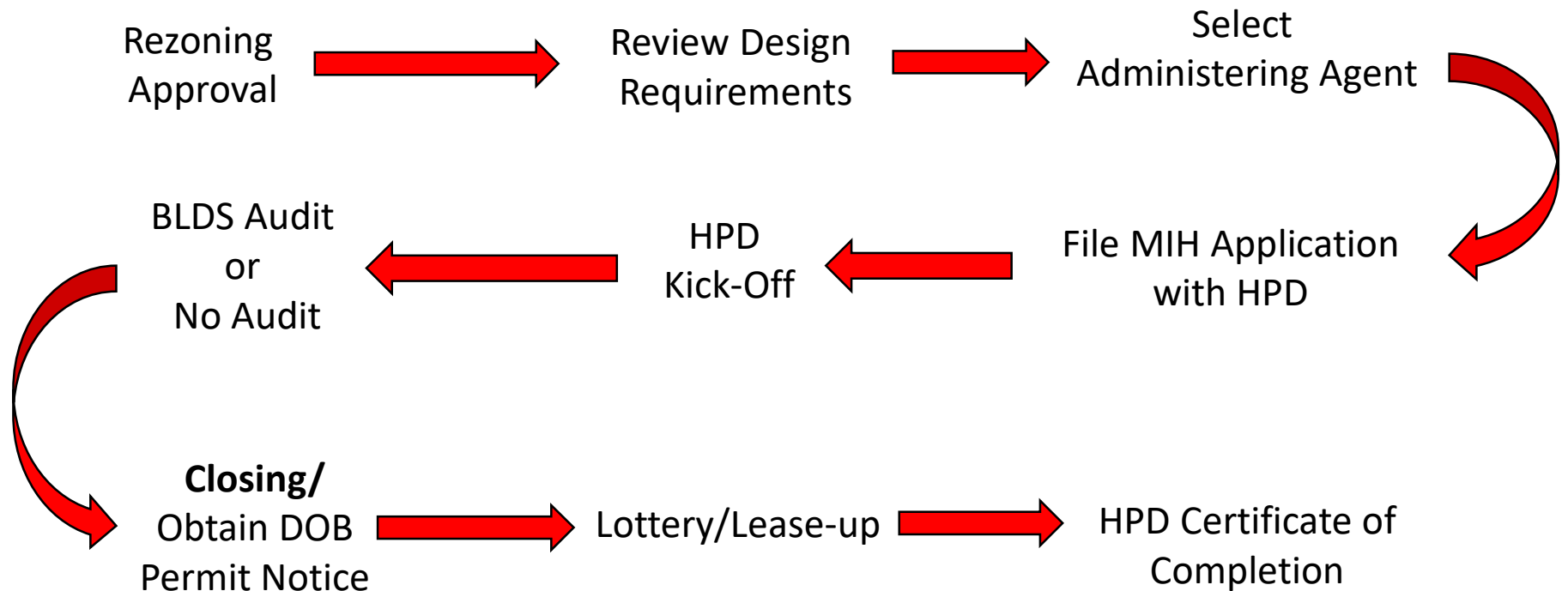
MIH Unit Size Requirements

Studio:	400 square feet
One-bedroom:	575 square feet
Two-bedroom:	775 square feet
Three-bedroom:	950 square feet

OR

The average dwelling unit size of the MIH units must be greater than or equal to the average dwelling unit size of the market rate unit size of each bedroom type

MIH Timeline



Affordable New York Housing Program - RPTL 421-a(16)



421-a Partial Tax Exemption

Base Year Assessed Value (“Base Year AV”)

Example for “100% Exempt Year”

Commencement = October 7, 2021 (Tax Year 2021/2022)

Base Year = October 7, 2020 (Tax Year 2020/2021)

Assume taxes on October 7, 2020 were based on a \$1,000 assessment

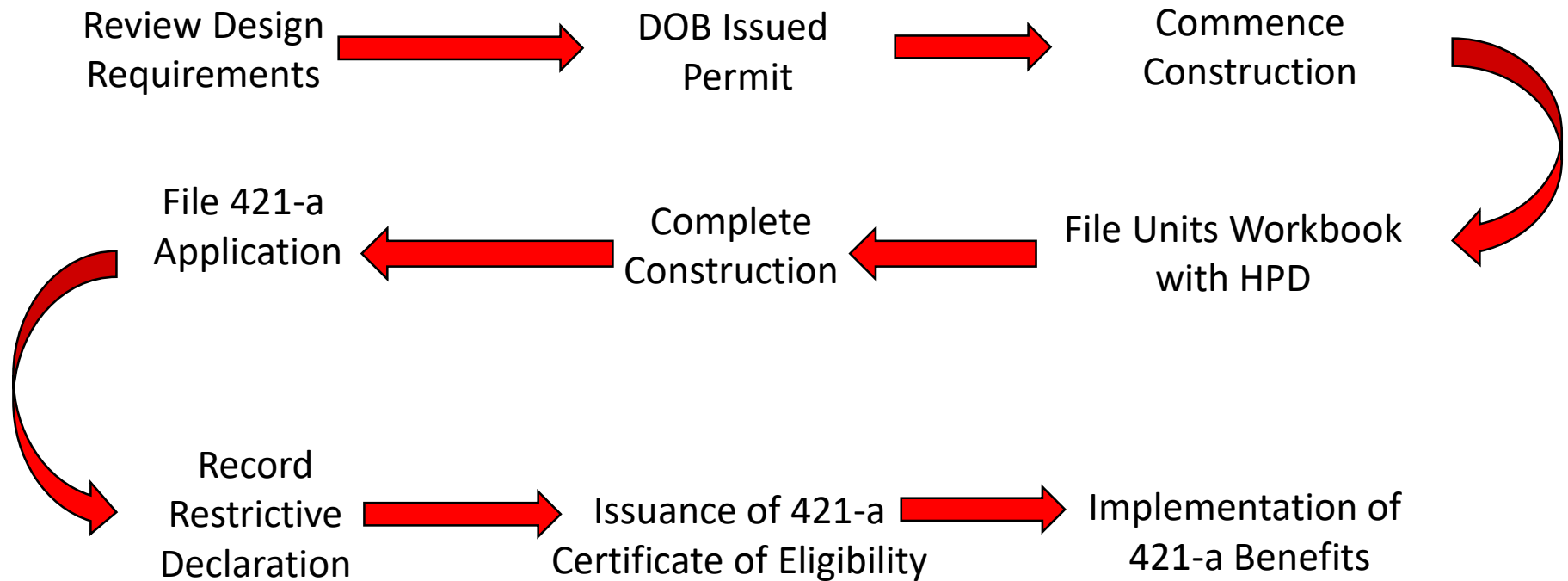
In a 100% exempt year = \$10,000 AV without 421-a

With 421-a = taxes based on \$1,000 AV

Exemption amount = \$9,000

**The assessment will be multiplied by the then current tax rate*

421-a Program Milestones



Program Options

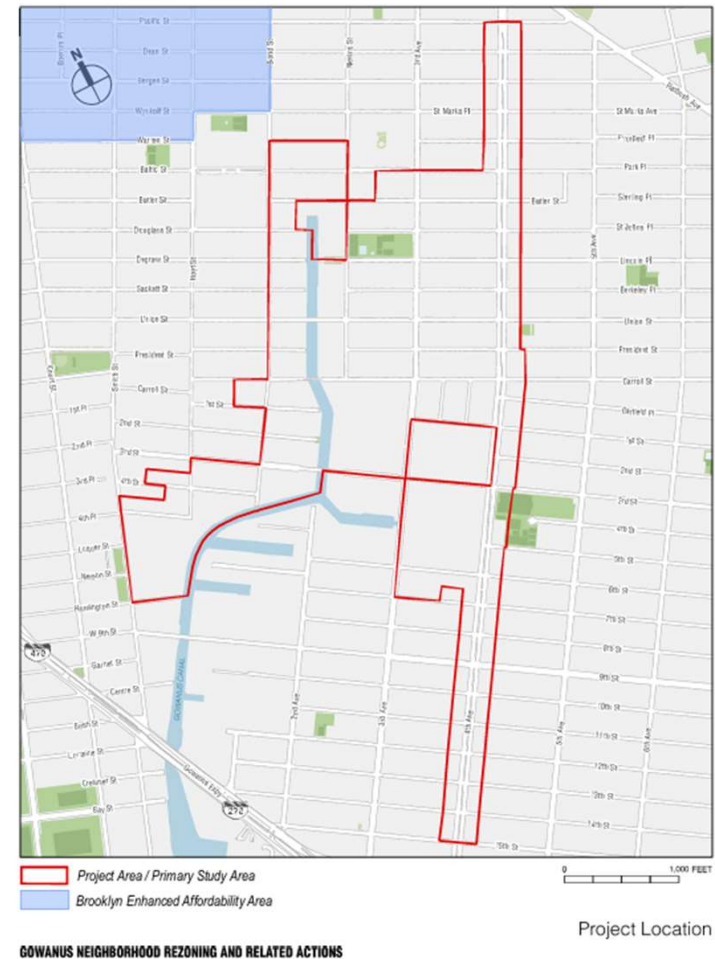
Rental Projects (6+ Units)

Outside of the Enhanced Affordability Areas; or Within an Enhanced Affordability Area Containing Less Than 300 Units		
ELIGIBLE PROJECTS	AFFORDABILITY REQUIREMENT	DURATION OF EXEMPTION ¹
A No Substantial Government Assistance other than tax exempt bond proceeds and 4% tax credits	10% @ 40% AMI	35 Year:
	10% @ 60% AMI	25 years at 100%
	5% @ 130% AMI	10 years at 25% ³
B All projects	10% @ 70% AMI	35 Year:
	20% @ 130% AMI	25 years at 100%
		10 years at 30% ³
C No Substantial Government Assistance and not located below 96th Street in Manhattan or all other geographic areas in NYC excluded pursuant to local law	30% @ 130% AMI	35 Year:
		25 years at 100%
		10 years at 30% ³
Restriction Period: 35 years from completion		

- Exemption percentage applies to all increases above the prior year assessed value
- In the last ten years of the benefit, Exemption Percentage will equal the affordability percentage.

Enhanced Affordability Areas

- The statute designates “Enhanced Affordability Areas” where projects with more than 300 or more dwelling units located within these areas required to comply with additional requirements.
 - Manhattan: South of 96th Street; Brooklyn & Queens: generally, within Community Boards 1 & 2 and within a mile of the bulkhead line, but are more specifically defined within the text of the statute.
 - Must apply under Options E, F, or G
 - Minimum Average Hourly Wages for Construction Workers (with exceptions)
 - Projects 300 or more units that are outside of these Enhanced Affordability Areas can elect to comply with Options E, F, or G



Program Options

Rental Projects (6+ Units)

Within an Enhanced Affordability Area Containing 300+ Units; or Outside of the Enhanced Affordability Areas Containing 300+ Units That Opt In		
ELIGIBLE PROJECTS	AFFORDABILITY REQUIREMENT	DURATION OF EXEMPTION ¹
E	No Substantial Government Assistance other than tax exempt bond proceeds and 4% tax credits	Enhanced 35 Year:
	Must pay a minimum average hourly wage to construction workers as defined in the Statute	35 years at 100%
F	10% @ 40% AMI	Enhanced 35 Year:
	20% @ 60% AMI	35 years at 100%
G	10% @ 70% AMI	Enhanced 35 Year:
	20% @ 130% AMI	35 years at 100%
G	30% @ 130% AMI	Enhanced 35 Year:
		35 years at 100%
Extended Restriction Period: 40 years from completion		

Exemption percentage applies to all increases above the prior year assessed value

Program Options

Homeownership Projects (6-35 Units)

Outside of the Borough of Manhattan

ELIGIBLE PROJECTS		AFFORDABILITY REQUIREMENT	DURATION OF EXEMPTION ²
D	Owner must agree, in writing, to maintain such unit as his/her primary residence for no less than 5 years	Average assessed value of all units upon completion cannot exceed \$65,000	20 Years: 14 years at 100% 6 years at 25%

Exemption percentage applies to all increases above the prior assessed value, up to an assessment of \$65,000

421-a(16) Application Process

- An application for a Certification of Eligibility must be filed within one year after the completion of construction of the Project. There is a non-refundable filing fee of \$3,000 per dwelling unit.
- Key documents filed with the 421-a Application:
- A Restrictive Declaration
- The RPTL § 421-a(16) unit mix and distribution (Units Workbook) previously approved by the Tax Incentives Unit
- An executed Monitoring contract between the owner and the HPD approved Marketing Monitor
- Architect/Professional Engineer's Affidavit confirming commencement and completion dates

Vesting by June 15, 2022

The 421-a statute defines the commencement date for a new project as “the date upon which excavation and construction of initial footings and foundations lawfully begins in good faith.”

Projects must complete construction by June 15, 2026.



Upcoming Gowanus Series Events

- **Preserving the Gowanus Mix – Thursday, November 4, 2021 @ 1:00 PM**
 - Updates on public review, overview of non-residential components of rezoning, economic incentives for non-residential development projects
- **The Future of Gowanus – Thursday, December 16, 2021 @ 1:00 PM**
 - Overview of completed public review process, highlights of any amendments to land use actions, insights on the future of Gowanus

Q + A



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