

# ENOUGH IS ENOUGH

## LET'S PLAN FOR THE FUTURE OF LIC & ASTORIA TOGETHER

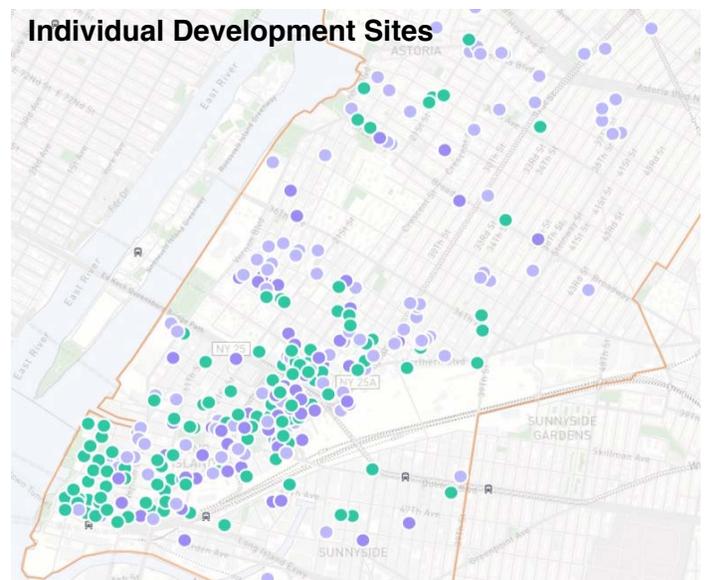
### THE CHALLENGE: SO MUCH DEVELOPMENT, SO LITTLE COORDINATION

Long Island City has been undergoing rapid, massive change for the last several years, and there are no signs of it slowing down anytime soon. Adding to the 12,800 units built since 2006, 2017-18 will see more than 10,000 new units completed and an additional 11,598 housing units are in planning or construction for 2019 and beyond.<sup>1</sup> Even with this massive development, there are currently several planning proposals in the works that if adopted stand to greatly impact the area with even more development. While some of these planning processes are subject to the City's public review process, there is very little coordination between them, and they are being considered separately with little to no review of how they will cumulatively impact the area.

A by-product of all this development is gentrification. Between 2000 and 2015, household incomes in the

area just south of Queensbridge Houses increased by a whopping 126%.<sup>2</sup> Changing demographics, rising rents, and new stores and retail offerings that are out of reach for many long-time residents threaten to displace low and moderate-income residents and small businesses. Some supermarkets that served residents who have lived in the community for decades have closed.

Many of the challenges of overdevelopment stem from rezonings in Long Island City in 2001 and 2005 under the Bloomberg Administration and previous City Council members. More than 11,000 units of housing are predicted to be constructed in the next 10 years if no action is taken, so complete inaction is not a solution. Our short-term priorities for planning for the future of our neighborhood are described on the following pages.



Long Island City Partnership's online development map, accessed from their website: [www.longislandcityqueens.com](http://www.longislandcityqueens.com) on June 22, 2017

# 1

## **NO REZONING OF THE LIC “CORE” UNLESS MONEY FROM PRIVATE DEVELOPMENT CAN BE LEVERAGED TO SUPPORT NYCHA—OUR REAL AFFORDABLE HOUSING RESOURCE**

**Despite billions of dollars of private investment, residents of public housing in LIC, Astoria and Woodside still do not have basic and needed repairs in their buildings.**

**Let’s use value capture tools to direct funds into Queensbridge, Ravenswood, Astoria and Woodside Houses for needed repairs on apartments, security and locks for the outer doors, affordable after-school programs, senior programs, language access for non english speaking tenants, jobs for our community and assuring that rent doesn’t go past 30% of income with federal cuts pending in our NYCHA properties.**

**There are three different ways of capturing value from rezoning to create needed funds for NYCHA buildings that we suggest exploring.**

**Limit the zoning and heights in the LIC Core rezoning, and create additional development rights within a special district, which developers can purchase in exchange for contributing money to a fund earmarked for Queensbridge, Ravenswood, Astoria and Woodside Houses.** Tie the price for the development rights to the going rate for air rights within the area at the time of the sale. This method was used in the West Chelsea rezoning, with the Affordable Housing Fund. There, in combination with other tools, the City Council created a tool that allowed developers to purchase building rights by contributing to a special local fund for affordable housing. The City is required to certify a developer’s contribution to the affordable housing fund before granting any building permit for construction using the newly-acquired air rights. The zoning text states that the City will set the price of these air rights annually. The City Council’s Points of Agreement on the rezoning provides that the price of the air rights will be comparable to the going price for air rights in the area at the time. The tool can be adapted for the LIC Core rezoning to direct funds to NYCHA, as a condition of receipt of additional building rights within a special district.

**Allow special transfer of development rights within a designated special district, with a fee on each transfer going to a special fund earmarked for Queensbridge, Ravenswood, Astoria and Woodside Houses. This method was used in the West Chelsea rezoning, via the High Line Improvement Fund.** There, the City set a condition on developers who wanted to transfer development rights -- they had to make a contribution into an escrow account or similar fund established by the City, the High Line Improvement Fund. Initially, the contribution amount was \$50.00 per square foot of floor area, but the zoning text provided that the amount should be adjusted annually and keyed to inflation. This method was also used in the East Midtown rezoning, via the East Midtown Public Realm Improvement Fund. There, projects that used transferred development rights from landmarked buildings were required to make a contribution to the Public Realm Improvement Fund. The contribution was equal to 20% of the sale value, or a minimum contribution of \$78.60, whichever was greater. The minimum contribution was established by a market study of the value of development rights in midtown. This tool can be adapted to the LIC Core rezoning to direct funds to NYCHA, as a condition of transferring development rights within a special district.

**Create a Payment in Lieu of Taxes (PILOT) for property in the LIC Core rezoning.** PILOTs can be created on city-owned land, or on privately-owned land. For privately-owned land, a developer who own the land can sell it to and then lease it from the City’s Industrial Development Authority (IDA) (nor non-housing projects) or HPD (for housing projects) or another city Entity for purpose-created redevelopment authority, with an agreement that they will get it back at the end of the PILOT. A PILOT on city-owned land was created in the Waterside Urban Renewal Plan area. The development company has a lease to the land, and makes payments to the IDA. A PILOT on private land was used in the Hudson Yards project. There, developer sold the land to the IDA, which doesn’t have to pay property taxes. The developer than leased the and made rent payments in lieu of regular property taxes for the duration of the agreement. These payments are generally lower than the regular property taxes would have been. The IDA funnels these payments into a special fund. At the end of the PILOT contract period, the IDA will return the land tot eh developers and the developers thereafter will pay taxes to the City rather than making payments to the IDA. PILOTs can be used in the LIC Core rezoning to direct funds to NYCHA on City-owned or privately-owned land.

**Finding methods to increase funding for NYCHA is particularly important today, when the threat to public housing from the Trump administration’s proposed budget is so large. “NYC is standing to lose \$400 million from NYCHA.” Let’s leverage private investment for public good for public housing residents.**

# community land trusts

A Community Land Trust (CLT) is a non-profit organization that owns land that is separated from the real estate market, thereby removing the cost of land from buying and selling housing on it. This allows the CLT to maintain control and oversight of the affordable housing it has created.

- Low-income residents can still build equity in the CLT model because they can sell their house at a price set by the CLT and can earn a portion of their home's increased value.
- A CLT's board of directors reflects the interests of residents and the broader community.
- CLTs have been established in several U.S. cities – the largest one is in Burlington, Vermont.

## 2

### **NO SELLING OFF PUBLIC LAND TO PROFIT-HUNGRY DEVELOPERS**

Public land is by definition our land. It should not be sold (or ground leased) to developers who build luxury housing and only deliver a bare minimum of benefits to the greater community instead of good jobs for local residents or deeply affordable housing. City-owned land like 11-24 Jackson Avenue, a 58,000 square foot site close to Sunnyside Yards, could yield up to 290,000 square feet of development under its current zoning. An RFP has been issued, and the site will soon be transferred to a developer who will only have to build as much affordable housing as the City's "Mandatory Inclusionary Housing" program requires. This is the same program that applies to developers of private land that has been rezoned to encourage housing development under Mayor de Blasio's affordable housing initiative.

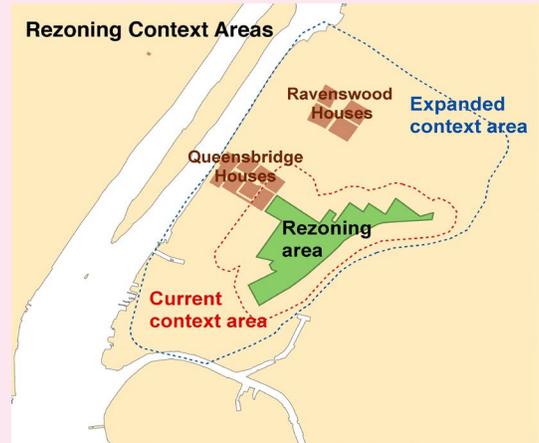
We expect more from our public land than what can be done with private land. Unlike other neighborhoods with "cooler" real estate markets, the City has few tools to entice developers of private land to build more affordable housing than is required because they are unlikely to take subsidy due to Long Island City's strong real estate market. Therefore, leveraging public land here for community benefits is all the more important since it is one of the few potential sources for deeply affordable housing. We call on the EDC<sup>3</sup> to rescind the RFP for 11-24 Jackson Avenue and stop the sale of this and other public sites to for-profit developers until there is a real opportunity for non-profit developers to build as close to 100% affordable housing on them as possible. The City should also give serious consideration to other community-controlled real estate development models for public land, such as community land trusts.

# 3

## NO LIC REZONING OR DEVELOPMENT IN SUNNYSIDE YARDS WITHOUT TRUE COMMUNITY INPUT AND INTEGRATED PLANNING

The anticipated rezoning of the Long Island City “Core,” the RFP process for 11-24 Jackson Avenue, the proposed BQX street car, and the potential plan to bring major development to the broader Sunnyside Yards area should not proceed without a strong participatory planning process that involves a diverse set of stakeholders, not just the ones who stand to financially gain from these plans. We are calling on the City to conduct meaningful and robust community outreach in shaping these plans. We are also calling on the City to use an integrated planning approach that looks at the cumulative impact of all of these plans for Western Queens, including the proposed BQX streetcar.

Earlier this year, the City shrunk the “context area” for the rezoning--the area that the City must consider when studying the potential impacts of a rezoning, including the impacts of market-rate development on neighborhood rents. The smaller context area now excludes most of Queensbridge Houses and parts of Astoria, which has a high turnover rate in rent-stabilized buildings. Instead of this piecemeal approach, the City must expand the context area for the rezoning and plan for the whole community.



# 4

## PRESERVE AND BUILD NEW GREEN AND OPEN SPACE

With an ever-growing and expanding skyline and the thousands of new households that come with it, Long Island City’s green and open spaces will continue to have more people using them. The City should explore opportunities for preserving existing green and open spaces and for creating new ones.



# 5

## **SUPPORT THE SMALL BUSINESS JOBS SURVIVAL ACT TO PROTECT LOCAL BUSINESSES**

The Small Business Jobs Survival Act (SBJSA) is legislation currently introduced in the New York City Council that will help to protect small business owners from displacement. It would also protect jobs-producing manufacturers and working artists from being priced out of industrial zones, where rents are skyrocketing. The bill, formally known as Intro 402, has existed in some form since the 1980s but has languished in the City Council for decades. It would help to protect small business owners by:

- Guaranteeing the right to a lease renewal offer for commercial tenants for at least 10 years
- Preventing unfair rent hikes by regulating lease renewal through mediation and arbitration
- Prohibiting landlords from requiring under-the-table cash payments to secure a lease

Together, these changes would help to ensure that businesses that have invested in our neighborhoods remain in our neighborhoods. Currently, when a commercial lease expires, the landlord can give away that space to whomever they want, or just empty out a building entirely, waiting for a chain store or a wealthier tenant. The landlord has the right to raise the rent to any price they desire. With the SBJSA, commercial tenants from small businesses must first be offered a lease renewal for a ten-year period, helping to create stability for commercial tenants. If the tenant believes the terms of that renewal are unfair, they can request mediation to try and negotiate a more equitable agreement. If mediation doesn't work, then an arbitrator can decide on a fair rent. If the arbitrator sets a rent that the tenants still believes is too high, the tenant can stay unless the landlord gets a bona fide offer from another party for that space. The current tenant must also be offered an opportunity to match that increase or choose to leave. As LIC and Astoria are rapidly transforming with luxury housing, it is more important than ever to create mechanisms to support and protect our small businesses!

The SBJSA currently has 28 co-sponsors, including Councilmember Jimmy Van Bramer. The lead sponsor on the legislation, Councilmember Palma, is termed out after the election this November. In a public forum with Public Advocate Tish James on May 16th, Councilmember Van Bramer agreed to step up as the lead sponsor in 2018 if it is not passed before Councilmember Palma's term ends. This is great and welcome news, and this legislation must pass before any further rezoning occurs in LIC and Astoria.

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## **ACKNOWLEDGMENTS**

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## **ENDNOTES**

<sup>1</sup> LICPartnership Quick Facts [http://www.longislandcityqueens.com/media/filer\\_public/72/08/7208542b-5eb7-4d98-aa78-c2635d67454c/lic\\_quick\\_facts\\_summit\\_2017.pdf](http://www.longislandcityqueens.com/media/filer_public/72/08/7208542b-5eb7-4d98-aa78-c2635d67454c/lic_quick_facts_summit_2017.pdf)

<sup>2</sup> In Census Tract 19 (bounded by the Queensboro Bridge, Vernon Boulevard, 44th Drive, and Jackson Avenue), the median household income in 2000 was \$37,000; in 2015 it was \$118,000. Adjusted for inflation, this is an increase of 126%.

<sup>3</sup>Economic Development Corporation

<sup>4</sup>Take Back NYC is key resource on SBJSA; please check out their website at <http://takebacknyc.nyc/sbjasa/> for more information