Game of Zones: Neighborhood Rezonings and Uneven Urban Growth in Bloomberg’s New York City

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Abstract

Between 2002 and 2014, the Bloomberg administration implemented dozens of neighborhood-scale rezonings to catalyze economic growth and create the conditions for new residential development. With the amount of housing affordable to low- and moderate-income households diminishing every year and a new administration publically committed to addressing the city’s housing challenges, it is an opportune moment to consider the motivation for and impact of the Bloomberg administration’s rezing program. Though individual rezonings have been subject to extensive scrutiny, little research has been done to assess the technical, social, and political dimensions of the rezing program as a whole.

This thesis explores the way in which Bloomberg administration rezonings guided growth spatially and how that growth affected access to housing for households at various income levels and of different races. Data on development and demographic change suggest that the rezonings facilitated new housing growth in prime, central neighborhoods at the expense of low- and moderate-income renters. In low-density areas, the city conducted rezonings that preserved neighborhoods from new development, but, in combination with an influx of immigrants and renter households, contributed to increasing rent burdens and overcrowding. The quantitative analysis demonstrates that, on aggregate, rezonings were associated with residential displacement in and near the city’s core while serving to exclude low-income households in the periphery.

An analysis of the social and political context of the rezonings indicates that while the Department of City Planning was motivated by infrastructural and economic considerations, the interests of non-governmental stakeholders shaped the rezing program to a significant extent. Homeowner mobilizations produced downzonings particularly in Staten Island, eastern Queens and southern Brooklyn. Meanwhile, development interests spurred rezonings in commercial and industrial areas as well as gentrifying neighborhoods, inducing a sharp increase in housing costs and residential dislocation.

While one portion of the rezing program embodied the interests of homeowners, another was driven by the demands of the development community, resulting in divergent outcomes that undermined access to housing for New Yorkers of limited means. This thesis suggests changes to New York City’s planning and zoning mechanisms to more effectively realize citywide growth goals while responding to the particular needs of low-income, largely non-white households.

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1. Zoning and Housing Affordability in New York City

“Pastor Preston Harrington, a jovial community leader, closed the meeting with a prayer. ‘God, where you have joined us together,’ he said, ‘let no man—no city planner—put us asunder.’”

Introduction

In New York City, where there is no comprehensive master plan to guide development, zoning is the arena in which conflicting visions for urban growth compete. Despite its prominent role in public discourse, zoning – particularly that of New York – is a convoluted and indirect instrument for addressing the issues that concern New Yorkers most, whether it is overcrowded roads and schools, rising housing costs or neighborhood preservation. Today, the word ‘zoning’ carries an intense political charge that inspires passion across the city. The perception that the Bloomberg administration’s rezoning policy marginalized low and middle-income neighborhood residents while enriching developers has fuelled a rapid mobilization against the new administration’s planning agenda. Communities in East New York, Jerome Avenue in the Bronx, Chinatown, and Prospect-Lefferts Gardens in Brooklyn have organized around fears that new rezonings and the added density they promise will produce displacement. Although the new Mayor’s housing and zoning plans are oriented towards increasing affordability, resistance is coming from the very communities that the policies are aimed at assisting, those with high rent burdens, high housing costs, and low incomes. Skepticism of a development-driven approach to housing affordability reaches from traditional homeowner NIMBYs in Staten Island to low-income renter communities in Brooklyn and the Bronx.

Antagonistic growth politics and distrust of development are not new to New York City, but by reestablishing city government as the driving force in planning and development, the Bloomberg administration also intensified divisions over housing and development policy. Bloomberg put development at the center of his growth-oriented vision of the city and the core of his development agenda was the substantial reconstruction of the city’s zoning map. Since 1961, no administration has done more to change the city’s distribution and intensity of land uses and to assert their vision through urban planning. The Dept. of City Planning implemented over 120 neighborhood-scale rezonings, covering roughly 40% of the city (figure 8). Rezonings were undertaken individually and each was tailored to local context, but they can be classified into three categories: rezonings which substantially increased the floor area designated for residential use, rezonings which restricted new development by decreasing allowed densities and controlling building forms, and rezonings which channeled growth to commercial corridors while restricting it in residential mid-blocks.

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Across the political spectrum, proponents celebrated the renewed assertiveness of government embodied in the rezonings. The administration’s boast of “building like Moses with Jacobs in mind” appealed to a broad audience: for the first time in decades, someone was taking the reins and directing New York’s anarchic development for the public good.

Others understood the Bloomberg’s planning agenda as a classist attack on New York’s black, brown and low-income communities. For critics, upzonings were urban renewal 2.0 with a friendlier, neoliberal façade. Government assertiveness, they argued, was being put at the service of the real estate industry…building like Moses with REBNY in mind.

This thesis documents the technical, political, and social dimensions of the Bloomberg administration’s rezoning policy. It begins by analyzing why and how the Bloomberg administration used zoning to shape development. Chapter 2 assesses the role of demographic pressures, infrastructure imperatives, and stakeholder interests. Chapter 3 explores the three types of rezonings implemented during Bloomberg’s tenure: high-profile business district and waterfront “upzonings”, community preservation “downzonings”, and “hybrid rezonings” applied to transit-rich high density neighborhoods. Chapter 4 presents a quantitative assessment of how neighborhoods targeted by the administration have evolved over time. Chapter 5 focuses on two hypothesis that seek to explain how zoning decisions are made in New York City:

a) Land use policy is primarily determined by a coalition of development interests and their allies in government.

b) Homeowners dictate land use policy via their electoral influence and privileged position in the city’s governmental structure and land use process.

And two more that consider the impact of new housing development on local housing affordability:

a) Adding new units to New York City neighborhoods moderates rents by moving the market towards equilibrium between the supply and demand.

b) New development ultimately drives up housing costs in the area by inviting more investment activity and inducing increased demand.

Using census and housing market data I find that counter to common public narratives, the rezonings expressed multiple, contradictory political motives. While every rezoning was subject to the influence of multiple stakeholders, the relative sway of homeowners, tenants groups, developers, etc. varied from one neighborhood rezoning to the next. Furthermore, the rezoning program was multi-faceted and often contradictory in its effects on New York’s supply and distribution of affordable housing.

In low-income neighborhoods with valuable land, the administration and “growth-coalition” interests implemented densification and manufacturing-to-residential conversions. Despite protests, the interests of renters - mostly black and Hispanic - were marginalized. These
neighborhoods have undergone rapid demographic change, becoming whiter, wealthier and more expensive. In low-density predominantly homeowner communities, both the politics and outcomes were different. The city accommodated middle- and upper-class preservationist impulses, downzoning vast neighborhoods to stop the construction of rental housing and the influx of immigrant, black and Hispanic households. Nevertheless, these areas have continued to experience inflows of low-income households, driving up rent-burdens, overcrowding and illegal conversions. Gentrifying, high-density neighborhoods were given a zoning treatment that combined preservation with upzoning (which I call hybrid rezonings). In these areas, it is difficult to differentiate between the effect of the zoning changes and broader socioeconomic trends, but there is no doubt that they were subject to extreme demographic transformations. In upzonings and hybrid rezonings, new market rate construction did not moderate climbing rents but, if anything, accelerated them.

The Bloomberg rezoning program offers valuable lessons on the potential of municipal government to take the lead in directing the economic and physical growth of the city and the ways in which real estate developers, speculative investors and migrating households frequently defy the intentions of public policy and dictate the trajectory of neighborhoods. With that in mind, I propose three avenues the city should explore for changing its land use policy to be more effective in its pursuit of equitable growth. They are discussed in chapter 6.

Data and Methodology

I use mixed methods to understand the context in which the rezonings were implemented and their effects on neighborhoods. My quantitative analysis draws on rent and demographics data from the census, sales information from the NYC Dept. of Finance, and land use information from the city’s tax lot database. My analysis does not seek to identify statistically significant causal relationships between rezonings and neighborhood change. Housing markets and population shifts are multifaceted and subject to a wide array of economic, political and social influences that I do not endeavor to capture in a statistical model. Instead, I use data to paint a picture of how rezoned areas change over time and supplement those findings with qualitative research that adds nuance and specificity that number crunching cannot. Interviews with planning officials, real estate actors, and community organizers have supplied a great deal of information which appears in citations and has contributed to my analysis. I am also fortunate that rezonings involve extensive public review which produce publically available documentation. City Planning proposals, environmental impact statements and Planning Commission testimonies were particularly helpful as were policy papers from nonprofit and advocacy organizations.

Rather than study an individual rezoning in detail as an extended case study, I have chosen to assess the Bloomberg rezoning program as a whole. This decision has meant sacrificing in-depth storytelling and skipping over the nuances of neighborhood histories and social
dynamics. However, it has allowed me to focus on patterns that span the five boroughs in a way that a case study would not. I try to raise up specific rezonings to illustrate points whenever possible. Extended discussions of methodology are in appendices B, C, and D.

I primarily relied on three data sources for the quantitative analysis. The Dept. of City Planning provides publicly available spatial information on their rezonings through their Bytes of the Big Apple data portal. The Department also provides tax lot data in their MapPLUTO files. Among other things, MapPLUTO includes information on zoning, tax assessments and building age for every lot in the city. Census Bureau products provided housing and demographic information.

**Literature Review**
A number of scholars have explored the relationship between governance, economics and ideology in pre-Bloomberg New York (Jacobs, Fainstein, Moody, Bressi, Gurian, Botein) and several studies have sought to understand Bloomberg’s tenure in its socio-political context (Brash, Larson, Berg, Angotti).

Since New York City’s housing market has atypically low vacancy rates, the core of the literature on the effects of land use changes are not particularly applicable. Of those studies that have focused on New York relatively few have explored the socioeconomic and real estate effects of zoning changes at the neighborhood level. Recent studies have focused on housing supply (Furman Center 2010), park access (McDonnel et al. 2010) and building typology (Podemski). Vicki Been and Edward Glaeser have explored the effects of historic district designation on local housing markets.

Other research has focused on the political economy of rezonings. This work focuses on the question of who the political forces behind zoning changes are. Wolf-Powers examined this question in the context of rezonings from manufacturing to mixed-use. Checker argues that the Bloomberg administration used sustainability discourses as a cover for pursuing development. Recent work has studied the power of homeowners to shape zoning in New York (Been et al. 2014, Schleicher 2013, Hills and Schleicher 2014).

While not strictly focusing on rezoning, research institutions and scholars have begun to explore the Bloomberg administration’s housing legacy. In particular, the efficacy of Bloomberg’s New Market Housing Plan has been scrutinized (Center for an Urban Future 2009, ANHD 2013). Councilman Brad Lander has brought to light the underperformance of the post-2005 inclusionary zoning program (Lander 2013).

**Affordable Housing and New York City Zoning in Context**
The Bloomberg administration assumed office at a dynamic moment for New York City. After decades of population loss and economic decline, the city had firmly rounded the
corner and confronted a new set of challenges: surging population growth and mounting demand for living and working space paired with aging infrastructure and outdated land use regulations. To understand Bloomberg’s rezoning program, we need to contextualize it within the primary issue it sought to address – housing shortage – and the city’s primary policy instrument – land use regulations.

**Housing Demand and the Affordable Housing Shortage**

After decades of stagnant or negative population growth, New York City’s population began expanding in the 1990s fuelled by the influx of hundreds of thousands of immigrants. By the end of Bloomberg’s first term, demographers agreed that the city would add another million inhabitants by 2030, pushing the city’s population past nine million, well beyond its 1950 high. Revived population growth during the 1990s had not been met by expansion of the housing stock. While the city added almost 700,000 people in the 1990s, the housing stock only increased by just over 200,000.

Between 2000 and 2012 the city’s housing stock became increasingly mismatched with the needs of the population. Population growth continued to outpace housing growth (more in chapter 5), and the type of new housing produced during this period skewed towards the high end of the market while demand increased across the board. Rent growth greatly exceeded national trends while median incomes stagnated and decreased among low-wage households in the city. In 2000 there were 833,000 rental units affordable to low-income households for a low-income population of 793,000. By 2012 there were only 623,000 units affordable to 969,000 low-income households. This mismatch has produced a disproportionate increase in rent burdens amongst low-income households and a surge in family homelessness. The city’s shelter population has increased every year since 2006, setting an all-time high in 2013 with over 50,000 people, many of them in families.

Housing affordability in New York City is inherently connected to the state of the city’s subsidized housing stock, the largest in the nation. Federal support for affordable housing in New York steeply declined in the late 1980’s. Rather than compensate with city funds, the Giuliani administration cut city capital budget allocations to affordable housing in half to roughly 300 million dollars per year. The Bloomberg administration maintained funding at the Giuliani level. Despite being faced with budget shortfalls and maintenance failures, New York City’s public housing continues to maintain a place in the city for hundreds of

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5 “Increasing Housing Opportunity in New York City”, PolicyLink And Pratt Institute Center for Community and Environmental Development, Fall 2004
thousands of low-income families. During the 2000s, units subsidized through the Mitchell Lama and Low Income Housing Tax Credits (LIHTC) began timing out of their affordability obligations. While, on average, 3,000 units were eligible to leave subsidy programs during the 2000s. Between 2015 and 2024, over 58,000 units of subsidized affordable housing will be eligible to opt out of affordability restrictions. Rent stabilized housing which caters to disproportionately low-income households has also been diminished through rules that allow landlords to take units out of stabilization if they become vacant or reach a rent threshold. During the Bloomberg mayoralty, the city lost net 93,026 rent stabilized units.

The tightening of the both the rental market accessible to low-income New Yorkers and the subsidized housing stock has powered demographic shifts in gentrifying neighborhoods. Gentrification and displacement are well documented in academic work and journalistic research and I will only establish a few, well documented trends here (chapter 5 will go into more detail): disproportionately non-white and low-income parts of the city which had experienced white flight and disinvestment for several decades have become the destination of new capital and population flows. Reinvestment in the housing stock by landlords and investors has raised rents beyond reach of longtime residents while commercial displacement has changed the character of neighborhood shopping streets and cultural life. The most rigorous quantitative study of displacement in New York has estimated that during the late 1990s and early 2000s, a minimum of 10% of all local moves within the city by renter households were the product of gentrification-driven displacement. Researchers have also attributed a “reverse migration” of Black households leaving New York City for the south to displacement.

**Zoning in New York City**
Within six years of taking office, the Bloomberg administration had rezoned more lots than had been rezoned since 1961. The administration made it clear that zoning was its “primary tool” for shaping growth, however, the rezonings were embedded in a complex, slowly evolving regulatory system that often limited the administration’s ability to act.

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7 According to the Housing and Vacancy Survey, the MHI for rent stabilized households in 2013 was $40,600; for private non-regulated rental units MHI was $58,000.


Most scholars trace land use regulation in New York to the Commissioners’ Plan of 1811 which laid out the street grid, specifying parcel sizes and rationalizing development on the island. For the next one hundred years, transportation infrastructure was the main determinant of urban growth. Industrial uses congregated at rail terminals and on the waterfront while housing grew around new subway stations. In 1916 the city passed a first of its kinds zoning ordinance stipulating allowed density’s for every lot in the city and prescribing uses: residential, commercial or unrestricted which allowed industrial uses among others. The 1916 ordinance established New York as an as-of-right city, creating a development-friendly template that produced fewer procedural barriers than the zoning mechanisms of cities like San Francisco or Philadelphia, which mandated discretionary permitting for all projects.

In terms of land uses, the 1916 ordinance “accepted the status quo of land use distribution” rather than envisioning future growth and changing development needs. As for density allowances, it carefully regulated structures in Manhattan while casting vast, poorly studied residential zones across much of the outer boroughs, letting the building code carry a heavier regulatory burden. If the city was built out to the extent allowed by the 1916 ordinance, the population could reach 55 million people. This permissiveness fed fears of overdevelopment. As a result, the 1961 zoning resolution reduced allowed densities citywide (to a new projected maximum population of 12 million) by instating a “floor area ratio”-based system and replacing the “unrestricted district” with a manufacturing designation.

The 1961 resolution was heavily influenced by disciples of Corbusier and towers in the park design and promoted public plazas and set-backs that contrasted with the city’s solid street walls and mixed uses. Beyond its attention to architectural form and public space, the 1961 resolution resembled the 1916 ordinance in that it mainly cataloged existing development patterns. This is significant since the city has no comprehensive plan and the state Supreme Court has interpreted the zoning resolution to constitute a plan despite its limited scope. Zoning is only one piece of comprehensive planning, but this conflation has magnified the influence of the 1961 resolution on the city’s growth.

Now in its sixth decade, the 1961 resolution has been the target of persistent complaints, a number of which guided the Bloomberg administration’s rezoning program. The first is that it allows for too much density in the outer boroughs. It was assumed that peripheral low lying neighborhoods would never attract multi-family buildings and the zoning did little to protect them from the possibility. In addition to poorly planned density designations, neighborhood activists and preservations found 1961’s bulk regulations to have a destructive

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14 Ibid.
impact on neighborhood character. Post-1961 structures rarely conformed to existing building patterns, often disrupting street walls or allowing for squat apartment complexes in single-family home communities. These complaints spurred a series of regulatory interventions that aimed to prevent out-of-context development: landmarking, special districts and contextual districts. These interventions, which have taken the form of both “map” and “text” amendments have bloated the zoning code and created a “chaotic hodge-podge” of overlapping zoning districts, special districts, commercial overlays and landmarking regulations.

The 1961 resolution protected large tracts of centrally located, often waterfront land for rail yards and port facilities. During the 1950’s, while the resolution was being developed, it was thought that this infrastructure would continue to be central to the city’s economy. Only shortly thereafter, deindustrialization, truck transport and the development of the port of New Jersey reduced the need for extensive waterfront manufacturing zones.

In summary, much of the 1961 zoning map which the Bloomberg administration inherited neither accurately described the existing built environment, nor projected for the type of growth that the city needed. The mainstream perspective, which will be explored in more depth later on, was that zoning was too permissive in residential neighborhoods, while too restrictive in most commercial and industrial areas. Bloomberg described the city as “penned in by land-use restrictions that no longer made any sense.”

Today, changes to the zoning code are implemented through a collection of legal and administrative structures that have arisen since 1961. The most important is the Uniform Land Use Review Procedure (ULURP), which mandates a seven month review process that includes advisory reviews by community boards and borough presidents, a binding vote by the city council and approval from the mayor. ULURP also mandates a determination of whether the change in question requires a full environmental review. Environmental Impact Statements (EIS) conform to state law and involve the study of a broad range of potential impacts including environmental, social and economic. Despite their breadth of scope, EIS do not specify binding mitigations. Instead they serve to inform the review process.

Most but not all large projects enter ULURP. Projects for whom the state is the lead agency are exempt and two agencies shape zoning from beyond ULURP. The first is the Landmarks Preservation Commission, whose landmark designations have been extended to thousands of properties and 120 historic neighborhoods since 1965. The majority of all parcels with historic preservation protections were designated as such during the Bloomberg years.

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16 Manhattan Institute, 2007.
second is the Board of Standards and Appeals (BSA). The BSA processes requests for
variances from property owners and developers who seek to circumvent existing zoning by
proving hardship. BSA variances are exceptions to the city’s as-of-right development
structure and have been used frequently in areas where the 1961 zoning district no longer
reflects the land uses in an area.
2. Land Use and Growth Politics under the Bloomberg Administration

“That’s the strategy: to make creative use of all the tools at our disposal – in the
neighborhoods where they will have the most impact – to jump-start and complement
private sector investment.” – Michael Bloomberg

"Entrusting affordable housing to real estate developers is a bit like going to McDonald’s to lose weight." – Henry Grabar

The unprecedented scale of the Bloomberg rezoning program grew out of a combination of circumstance – Bloomberg’s first election coincided with a new era in the city’s economy – and his administration’s particular understanding of the relationship between markets, regulation and municipal health.

Bloomberg assumed office during the economic dip that followed 9/11, but more generally during a period of increasing development activity and prosperity emanating from the city’s real estate and finance sectors. As the appetite for real estate investment and development picked up it ran up against a lack of viable project sites. The city was largely built out, with most vacant lots from the city’s struggles in the 1960s and 1970s having been given away and redeveloped under mayors Koch, Dinkins and Giuliani. Developers and planners also pointed to the city’s outdated zoning code as a source of the land shortage.

Most of the city’s neighborhoods had not been rezoned since the passage of the 1961 zoning resolution. While that resolution allowed for substantial population growth, it also placed most of the city’s waterfront tracts into restrictive manufacturing districts to protect the city’s port, rail and industrial uses.\(^{20}\) With land prices rising in the 1990’s, developers set their eyes on these areas: if they could buy land at manufacturing land values and manage to develop residential or commercial uses on it – through illegal conversions, Board of Standards and Appeals variances or both – there were immense profits to be made.\(^{21}\) Still, zoning impeded large-scale redevelopments fuelling advocacy from the development community: “Compared to other North American or world cities, New York City has made little progress in redeveloping its waterfront for commercial, residential or recreational uses”

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\(^{20}\) Bressi, 183.

reads a 2002 report from the NY Building Congress.\textsuperscript{22} Giuliani’s DCP had worked with a slower market and wasted energy on an ultimately rejected overhaul of the zoning code, neglecting neighborhood-level planning.\textsuperscript{23}

The Bloomberg administration took stock of eager development interests and noted the property tax revenues to be collected from redeveloped manufacturing land. The pieces were in place to, in Bloomberg’s words, “unlock the potential of the city's underused land to allow market forces to create mixed-use communities.”\textsuperscript{24} However, it was not circumstances alone that spurred the rezoning program. Bloomberg and his top aides saw land use and development policy as an integral piece of their market-oriented economic development strategy for the city.

**Market-led Growth and the “Virtuous Cycle of a Successful City”**

Deputy mayor Daniel Doctoroff, a former investment banker and founder of the Olympic booster organization NYC2012, was a central force in shaping Bloomberg’s development plans and the discourse used to frame them. Competitiveness in the face of a global struggle over businesses and talent was the defining theme of Doctoroff’s thinking. Julian Brash writes that early on in Bloomberg’s tenure, “enhancing competitiveness” was identified as a top priority “to an extraordinary degree and to the exclusion of virtually all other governmental ends.”\textsuperscript{25} In a 2011 conference on rezoning in New York City, Doctoroff described his thinking on the connection between competitiveness and urban growth. He told the crowd that the end goal of governance is improving the city, tax revenue is necessary to improve the city, tax revenue requires more residents, more residents requires more residential development. Finally, more development requires more permissive zoning.\textsuperscript{26} Population growth “is the engine of success of a city and we believe that our job is to prime this engine over and over and over again”, explained Doctoroff. This process, which Doctoroff called the “virtuous cycle of a successful city”, was echoed in somewhat darker terms by then Manhattan planning director Vishaan Chakrabarti: “we are going to grow or die in this competitive environment.”\textsuperscript{27}

For the Bloomberg administration, the need to compete with foreign cities and attract workers justified an unabashedly market-driven approach to planning and development.

\textsuperscript{23} Barbanel, Josh, “Remaking, or Preserving, the City's Face”, *New York Times*, Jan. 18, 2004.
\textsuperscript{24} "Thinking Big for New York City." The Manhattan Institute, Monthly Newsletter: Thinking Big for New York City. October 1, 2007.
\textsuperscript{27} Brash, 201.
“What I have tried to do, and think I have done is create value for these developers, every single day of my term,”²⁸ Burden told the New York Times in 2012. Burden, like Bloomberg was direct about the benefits that real estate development brought to the city and frequently promoted gentrification as a mechanism for increasing livability. Indeed, the administration’s private market orientation brought it into general harmony with the construction industry. The three policy recommendations put forward by the NY Building Congress in 2002, could easily be mistaken for the city policy that ensued: 1) Zoning and land-use reform, 2) Empower one agency with economic development authority (e.g. Bloomberg’s EDC), and 3) Increase infrastructure investments to attract private sector investment.²⁹

In his 2013 book, Scott Larson observes that the Bloomberg development program shared core features with the urbanist philosophies of both Jane Jacobs and Robert Moses. From Jacobs it borrowed design sensitivity, an orientation towards mixed uses and an appreciation for public space. From Moses it picked up a grand scale of ambition and a focus on transportation infrastructure. However, as Larson points out, the Bloomberg administration fundamentally differed from Jacobs and Moses in its reliance on the private sector. Burden explained that “all we can really do is zone for the right height and for the right use and then let the market come.”³⁰

Burden’s recognition of city government’s limitations and the emphasis on competitiveness that emanated from Bloomberg and Doctoroff parallel the template for municipal governance put forward by Paul Peterson. In his work on local policymaking, Peterson argued that social welfare and redistribution are the realms of the federal government leaving a city “to use the resources its land area provides by attracting as much capital and as high a quality labor force as is possible” in order to “maximize their economic position.” Since “the discretion available to a local government in determining land use remains the greatest arena for the exercise of local autonomy,” rezoning is as powerful a weapon as any in the city’s arsenal.³¹

Bloomberg’s EDC and DCP conceptualized a particular variety of economic competitiveness when proposing rezonings and redevelopment. The administration pushed a vision of the city’s future economy that focused on the growth of the high-tech, finance and service sectors. Echoing a Mckinsey report that implored the administration to brand New York as a “luxury city”, Bloomberg told a 2003 conference of business leaders, "If New

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York City is a business, it isn't Wal-Mart -- it isn't trying to be the lowest-priced product in the market. It's a high-end product, maybe even a luxury product." While Bloomberg often stressed that the city’s labor pool was its greatest asset, more specific statements revealed that the labor he was referring to was "well-educated professionals who staffed the post-industrial sectors." Meanwhile, the 2008 Willets Point rezoning paved the way for the displacement of about 240 auto-related businesses and roughly 1,400 employees.

Retaining manufacturing jobs and industrial businesses was not the administration’s economic development priority and virtually every high profile rezoning precipitated the displacement of industrial jobs. Instead rezonings were geared towards the creation of new urban spaces that improved New York City’s competitiveness with other global cities. With the release of his first economic development plan for the city, Bloomberg announced that he would “transform New York physically…to make it even more attractive to the world’s most talented people.” The city set out to use architecture, public space, amenities and other elements of urban livability as weapons in a global battle for elite workers.

With zoning cast primarily as an instrument of economic growth, it was exercised in conjunction with large redevelopment initiatives led from outside of DCP. Under Bloomberg, the quasi-governmental EDC took over redevelopment and infrastructure planning responsibilities from city agencies, growing from 200 to 400 employees. “EDC did as much planning as City Planning in the last administration” posited a Brooklyn borough planner. DCP was also shifted under the auspices of deputy mayor Doctoroff along with other development-related agencies.

Figure 1 Planning for the Olympic Bid. Source: NYC2012

33 Brash, 113.
34 Angotti, Tom and Steven Romalewski. “Willets Point Land Use Study.” April 2006.
35 Brash, 121.
37 Moore, Justin. Phone interview by author. March 27, 2015.
Despite being led from the private sector, the 2012 Olympic bid became a vehicle for the administration to pursue its development interests. Sympathetic to the controversial bid, Mitchell Moss argued six years later that its ostensible failure had actually been a success since the plans formulated for stadium, transportation and housing construction had been pursued in the years following the rejection by the Olympic committee. Moss notes that “the Olympic bid was the catalyst that identified neglected areas and made them a priority for redevelopment by the Bloomberg Administration, even when they were no longer part of the Olympic Plan” (see figure 1). These areas included large DCP rezonings in the south Bronx, Hudson Yards, Flushing, Hunters Point and Greenpoint-Williamsburg. Other commentators have viewed the Olympic bid as purely instrumental. Julian Brash and others have argued it was primarily a way to fast track important redevelopment projects, providing “a forcing mechanism” that would temper public opposition and compel state authorities to support it. In a talk at Harvard, former speaker Christine Quinn suggested that the Olympic stadium and mixed-use complex at Hudson Yards “never would have been done by 2012” even if the state senate had not shot down the idea in 2004.

It should be noted that Bloomberg’s political and ideological orientation was only a modest variant of those of his predecessors in the Mayor’s office. As Susan Fainstein demonstrates in *The City Builders*, by the mid-1980s, neoliberal, market-oriented development policy had already gained ascendancy in New York City governance. Edward Glaeser has lumped Bloomberg in with his predecessors: “centrist, workmanlike mayors – Koch, Dinkins, Giuliani, Bloomberg – who were determined to make the city as attractive as possible to employers and middle-class residents.” In his study of governance in New York City, William Sites suggests that city policy is largely constrained and guided by macroeconomic factors and state and federal decisions. One should be cautious, he warns, to not ascribe too much significance to local leadership and city-level politics.

Nevertheless, it is clear that the Bloomberg administration had a more transformative impact on the city’s built form than most of its predecessors looking back at least fifty years. To help explain this in light of the caveats above, we can add two causal factors to complement the administration’s ambitious pro-development orientation: 1) Most of Bloomberg’s tenure

39 Brash, 51.
40 Quinn, Christine. Talk given in Jerold Kayden’s Public and Private Development Course on March 25, 2015.
as mayor was distinguished by a uniquely strong real estate market and economy and 2) The administration developed a high-functioning municipal bureaucracy informed by data-driven, corporate management practices. From a combination of these factors, the administration was able to implement ambitious projects at a scale not seen in the city since the heyday of Robert Moses.

**Planning for Sustainability, Design, Infrastructure, and Equity**
While economic development undergirded the zoning strategy, it was supplemented by other goals that emerged from new social and environmental concerns. Sometimes framed as components of competitiveness and sometimes spoken of as ends in themselves, concern for sustainability, design, infrastructure and social equity contributed to the planning of individual rezonings as well as the overall zoning strategy.

PlaNYC, a 2007 sustainable planning framework, sought to tie together diverse city initiatives under a set of sustainable environmental and economic goals. Compiled as an evaluative framework rather than a traditional comprehensive plan, PlaNYC has been celebrated for elevating sustainability as a central element of development policy. Much of the document serves to catalog pre-existing initiatives or strategies and tie them together under the banner of sustainability. Its effect on individual rezonings was modest since suggestions for neighborhood-level land use mirrored those the city was already utilizing but a series of “green zoning” amendments were passed to facilitate the construction of energy efficient buildings. Citing environmental factors, PlaNYC also firmly established transit-oriented development as a central tenet of urban growth. Following Hurricane Sandy, PlaNYC was reoriented to focus on resiliency. It is discussed further in chapter 5.

In addition to sustainability, the Bloomberg administration elevated design as a central component of its zoning and development strategy. Amanda Burden elevated aesthetics to among her department’s top priorities on the premise that they induce investment and competitiveness – “good design is good economic development”43 – and made building and public space design centerpieces of her legacy. “In the end,” Burden told Governing Magazine, “great public space is what makes people want to stay in the city.”44 The Times Square pedestrian plaza, the High Line and numerous waterside parks are some of the projects most closely associated with Burden’s leadership.45

Strategic infrastructure investment was yet another point of emphasis. The administration sought to avoid the infrastructure-housing mismatches of large peripheral developments like Co-op City by “legislating density so that density only occurs around our mass transit

infrastructure” and simultaneously making infrastructure improvements to support population growth. Upzoned areas were also targeted for new parks, streetscape overhauls and sewage system upgrades, what Bloomberg referred to as “public goods that catalyze private development.” The extension of the 7 train to Hudson Yards was the administration’s most ambitious expansion of the transportation network, but bike lanes and experiments with limited versions of Bus Rapid Transit, known as the select bus service, also sought to support density. The legacy of Bloomberg’s infrastructure program is highly politicized and objective assessments are hard to come by. The scope of park and bike lane expansion were massive, but were subject to criticisms over their preponderance in high-income areas. Others have accused the city of ignoring school overcrowding. A study by Simon McDonnell, Josiah Madar and Vicki Been found that upzoned lots were predominately located within a half-mile of subway stations, conforming to the administrations TOD goal. However they also found that 60% of all downzoned lots were also well served by the subway. In Brooklyn more downzoned lots were proximal to subway stations than upzoned lots. Even some upzonings were not well served by public transit. The Greenpoint-Williamsburg upzoned area is relatively poorly served by the subway and overcrowding on the L train, which is the closest line, has become a major issue for the MTA. Infrastructure constraints are considered further in chapter 5.

The final element of the Bloomberg zoning strategy was a push to enhance equity in the city primarily by addressing affordability. Reflecting on the administration’s rezonings, deputy mayor Robert Steel listed enhancing equity as the second objective behind “competitiveness” and before aesthetics and environmental sustainability. The administration used zoning to incentivize the development of grocery stores in underserved neighborhoods, but its primary vehicles for realizing equitable development were programs targeted towards government-supported rental housing. These will be discussed in more detail in chapter 4.

Stakeholder Influence on the Rezoning Program

The technical and political rationales for rezoning presented above did not exist in a vacuum. Land use policy was heavily informed by the interests of non-governmental interests including both those of real estate interests and community organizations. Each rezoning was subject to a negotiation process, often lengthy, between planners, developers or landowners and individuals or groups from the neighborhood in question. The specific

47 Manhattan Institute, "Thinking Big for New York City."
context – demographic, economic and geographic – of a rezoning determined the degree to which each party could influence the shape of the finalized zoning map change.

Real Estate Interests

Every year DCP processes numerous private applications for rezonings in which developers ask for increased density allowances to pursue large projects. The neighborhood scale rezonings discussed here are different in that DCP formally initiates them, pays for their environmental impacts statements and takes responsibility for gaining the support of community members and elected officials. However, real estate interests play an important role in shaping many neighborhood rezonings.

The involvement of real estate actors is dictated by the geographic and political context of a rezoning. The centrality of the location, the value of the newly proposed uses or densities and the inclinations of the local council member and community organizations can trigger engagement in the rezoning process by local landowners or prospective investors. Even the size of parcels can shape negotiations: in areas with large underbuilt parcels like Greenpoint-Williamsburg and Coney Island, landownership is concentrated in the hands of a few individuals or firms whose interests play an outsized role in shaping the rezoning.51

In these areas, city councilmembers may have the final say, but real estate interests have significant leverage since they – whether current landowners or interested developers - are depended on to execute the physical manifestation of zoning changes. Their position of strength guides how they approach negotiations. In upzonings, developers tactically directed resources towards other influential actors in the rezoning process. Lobbying teams addressed elected officials and local nonprofits while community outreach teams were sent to build consensus among influential civic groups and sectors of the neighborhood who were potential sources of opposition.52 In areas where real estate interests have particularly firm footing, they often do not need to be as diplomatic and rather than engage in meaningful negotiations, developers “grit their teeth, fight through opposition, and negotiate concessions at the last minute.”53

Real estate actors also shaped zoning decisions through speculative investments. The long duration of the rezoning process, stretching from a zoning study to final approval by city council, allowed ample time for REITs, developers, and institutional investors to purchase land at manufacturing or low-density prices ahead of rezonings. De Blasio housing commissioner Alicia Glen has stated that “everybody always buys land in front of a

51 Moore, Justin. Interview.
52 Moore, Justin. Interview.
proposed rezoning,” but even she must have been surprised when land prices in East New York tripled in the eight months after her administration announced interest in rezoning the area for more growth.

While speculation is commonplace in hot markets, speculation ahead of upzonings is particularly high risk and high reward. Except for the first round of buyers, speculators typically pay more for their land than its current revenues would justify. If the anticipated rezoning does not occur, they are left with low-density residential or manufacturing land that cannot cover its purchase price. On the other hand, vacant or sparsely developed lots prized by speculators can be redeveloped to the newly permitted use or density at low cost, allowing for massive profits. The high risk level and pace at which land values increase has meant that the most aggressive real estate players dominate land purchases ahead of rezonings while more risk-averse actors settle for buying built out properties that could be renovated in time but offer income flows regardless of how the rezoning proceeds.

In locations where land ownership was consolidated by speculative firms, those firms were important players not only in shaping neighborhood rezonings but in initiating them. Property owners would “make the case that the city should undertake a large scale rezoning that would include [their] property,” often reaching out directly to the local councilmember who in turn would initiate a request for a rezoning study.

The large Bloomberg-era upzonings featured a small cast of well-connected firms whose influence was multiplied by their importance to multiple development projects. For example, despite being a young firm, SHoP Architects secured contracts to design the Domino Sugar Factory conversion and portions of Atlantic Yards, Hudson Yards, and Hunter’s Point South. Related Companies has worked on Hudson Yards and Hunter’s Point South among other public-led initiatives. These firms found familiar faces at the top of the Bloomberg administration. Doctoroff, EDC head Andrew Alper and other prominent Bloomberg administration officials had come to public service directly from the highest levels of New York’s real estate and finance circles. Speaking at Harvard, Christine Quinn recounted how formal review processes and bureaucratic lag slowed down community-led planning efforts.

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57 Marcus, Derek, interview.
58 Marcus, Derek, interview.
59 Moore, Justin, Interview.
61 Brash 141, 259
but “developers [received] a wink and a nod” and found it “easier…to get a meeting with city planning.”

As Julian Brash documents in Bloomberg’s New York: Class and Governance in the Luxury City, the real estate industry exerted influence over many rezonings but did not necessarily dictate terms to the degree they had under previous city governments. The Bloomberg administration was more of an “entrepreneurial investor” than passive participant in urban development, not afraid to dictate the contours of development to developers who sometimes chaffed under the city’s requirements. So while real estate elites found themselves partnering with like-minded city officials willing to facilitate immense profits, the partnership was not devoid of conflict.

The scale of real estate projects supported by the Bloomberg administration has helped fuel a shift within the city’s real estate industry. While small builders and brokerages have traditionally had a significant role in the city’s development, they have increasingly been outcompeted by New York’s famous real estate families and multi-national firms, the industry’s “clans and corporations”. The years since the beginning of the recession have been the most meager for small builders since 1980. The hot market of the 2000s bided up the price of land, disadvantaging small builders in two ways. First, they are unable to compete with large firms in central locations, though this has always been true to some extent. Secondly, building small rental units in the outer boroughs no longer fetches sufficient returns to cover costs. This is inherently intertwined with zoning policy as downzonings prevent developers from reaching densities that would justify initiating a project.

\textsuperscript{62} Quinn, Christine. Talk given in Jerold Kayden’s Public and Private Development Course on March 25, 2015.
\textsuperscript{63} Brash, 201-3, 270.
\textsuperscript{65} Smith, Stephen. "Where Have All of New York City's Small Builders Gone?" New York YIMBY. August 11, 2014.
The development industry’s trade group, the Real Estate Board of New York (REBNY), urges elected officials to “prioritize higher density development while addressing rising real estate taxes, labor rates, and land costs.” REBNY weighs in on individual rezonings and tax breaks as well as seeking to impact land use policymaking through electoral politics. Since 2005, REBNY has contributed $42.9 million to electoral candidates sympathetic to their positions impacting races from the city council to the governorship. Their PAC, created in the wake of the Citizens United decision, spent $4.88 million in NYC council races in 2013 (figure 2).

Given the alignment of interests between the Bloomberg administration and developers, it is sometimes difficult to distinguish who the catalytic force was in a given rezoning. Current DCP chief Carl Weisbrod recently commented, “There are very few industries where the self-interest of the industry and the fundamental interests of the citizens of the city are so deeply intertwined as the real estate industry.” But some have chaffed at what Pratt’s Ron Shiffman has called DCP’s “unchecked responsiveness to private sector initiated development and their avoidance of community-based planning.”

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69 Flynn, Gerard. “5 Challenges to De Blasio’s Promise of Inclusive Planning.” City and State NY. March 27, 2015.
has a strong opinion on the subject: “New York sits back and waits for the developer to come to suggest a rezoning,” she said at a conference on development in New York City, adding, “The city is not proactive; it’s reactive. The city has to decide what its priorities are and go after them, and it hasn’t done that at this point.”  

Derek Marcus, Director of Acquisitions & Development at TF Cornerstone argues that from a real estate perspective, the Bloomberg administration “was obviously friendly”, creating a predictable environment devoid of overly onerous affordability requirements. Whatever mitigations and negotiations were required were worth the trouble because, “effectively, Bloomberg would waive his magic wand and create enormous amounts of value overnight for legacy landowners and developers by rezoning property to high densities.”

To understand what the development community stood to gain from rezonings it is helpful to look at property value appreciation. Tax assessments in New York City provide only a limited estimate of value but in comparative analysis they are useful in determining relative changes. For one and two family homes, predominantly located in downzoned areas, value appreciation was fairly even between rezonings types and the whole city. Assessed values for upzonings and hybrid rezonings (explained at length in chapter 3) have appreciated faster than downzonings and the city as a whole for the larger classifications of residential buildings (figure 3). Interestingly, values in downzoned areas have appreciated slower than

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71 Marcus, Derek. interview.

72 DCP’s PLUTO dataset used here gives tax assessment values that are determined as a percentage of the market value. That percentage depends on their tax class. Using percentage change avoids the need to convert the tax assessment valuations back into market valuations. Grouping properties by land use does a fairly good job of also grouping them by tax class. Thus within a land use category (e.g. 1 & 2 family buildings) comparisons are meaningful while comparisons across land use categories are less so. Since 1981 assessment increases have been frozen at 6% a year meaning that neighborhoods whose market values are rising faster than 6% are under-taxed in comparison to more stable areas. If anything, this distorts the numbers presented here by diminishing differences between areas of rapid appreciation (upzonings and hybrid rezonings) from slower appreciating areas (downzonings).
the citywide figure for these larger structures indicating relatively lagging property markets. Appendix A illustrates value appreciation for individual rezonings.

Due to their high option value, vacant lot prices are known to be a strong indicator of future development activity.\(^\text{73}\) Per sqft land value appreciation on vacant lots shows a particularly extreme disparity amongst rezonings (figure 4). Downzoned vacant lots actually decreased in assessed value, indicating the weakness of land markets in downzoned neighborhoods, while assessments surged in upzonings and hybrid zonings, indicating intense speculation and development activity. Some of these differences stem from differences in geography between the rezoning types. Most upzonings were closer to the city’s core while most downzonings were more peripheral (see figure 18).

![Figure 4 Source: DCP PLUTO Dataset](image)

Community Interests
Despite the significant sway real estate interests have over the zoning process, no major rezoning was implemented without the mobilization of neighborhood people and community organizations. In downzoned areas, community influence was exerted through homeowner organizations and civic groups concerned with public safety and neighborhood preservation. I will explore their role further in the following chapter. Here, I will consider the mostly renter and non-white communities facing upzonings and hybrid rezonings.

Community boards are the formal conduits for community input into the rezoning process. Composed of up to fifty appointees, community boards review all proposed land use changes as part of the ULURP process. Their recommendations are nonbinding on the local councilperson whose vote generally determines the outcome of the rezoning proposal. As of 2009, only five of 96 rezoning proposals had been rejected by community boards.\(^\text{74}\) Since 1990, community boards have the power to compose land use plans of their own, “197-a” plans, which are not legal documents but rather seek to influence the planning process by establishing the community’s position on key land use issues. In Williamsburg and West Harlem, 197-a plans were created ahead of the formal rezoning process in order to publicize the expectations of the community in advance of DCP’s involvement.

\(^{73}\) Bartke and Lamb 722.  
Looking beyond the limited powers of the community boards, some neighborhoods have resisted rezonings through organizing and legal actions. In *Chinese Staff vs. City of New York 2*, a nonprofit alleged that the city’s environmental impact statement had underestimated the displacement effects of a proposed rezoning in Sunset Park, Brooklyn. In Harlem, Downtown Brooklyn and Greenpoint-Williamsburg resistance to rezoning involved several years of protest.

In the most contentious rezonings, the final, approved rezoning reflected some community demands while rarely satisfying them. In Greenpoint-Williamsburg, elements of the 197-a plan were incorporated into DCP’s proposal but only after lengthy and contentious negotiations. In fact, the Bloomberg administration introduced the city’s new inclusionary zoning program for the first time in Williamsburg in order to win the support of the community.⁷⁵ Even with concessions, the final plan rezoned more industrial lots and allowed higher densities than community-members had hoped for. There is a sentiment that community demands were pandered to but ultimately only superficially fulfilled. “Memoranda of agreement” between developers, the city, and community boards delivered councilmember votes in a number of instances. These memoranda, which are not legally binding, have frequently been ignored after the fact.⁷⁶ For example, recent protests have called attention to the city’s failure to build Bushwick Inlet Park on the Williamsburg waterfront as was promised as part of the 2005 rezoning.⁷⁷ That rezoning “would not have passed if it wasn’t for the open space commitment,” according to the neighborhood’s current city councilman.⁷⁸

Despite frequent resistance to upzonings, every rezoning proposal introduced by DCP during Bloomberg’s tenure was ultimately passed by the city council. This is remarkable given the number of rezonings involved. In 2008, during the high point of protests and council opposition to the Willets Point rezoning proposal, Bloomberg told the *New York Times*, “I think you will find virtually all of the City Council in the end signing on.”⁷⁹ The proposal passed in the council 42 to 2, after a group of business owners (though not all) in the rezoning area accepted relocation assistance from the city. In part, this can be attributed to the memoranda of agreement, inclusionary zoning and other negotiated concessions that were effective in assuaging resistance. In addition, since DCP is not beholden to a

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⁷⁵ A limited form of inclusionary zoning had been in place in Manhattan since 1987.
⁷⁶ Lander, “Rediscovering City Planning and Community Development, Together”.
comprehensive plan it is not obliged to introduce proposals that are unlikely to gain the support of the council.

Each rezoning was the product of engagement from city planning, development interests and communities. The Bloomberg administration assumed a proactive role in pushing for and guiding upzonings where clashing stakeholder interests often proved to be immense obstacles. Developers, landowners and construction unions put their substantial resources towards creating zoning changes that benefitted their firms, workers and investors. Meanwhile, community mobilizations managed to alter rezoning plans in a number of instances but were generally unable to significantly redirect plans that had been predetermined before entering public review. In the following chapter, we will explore the types of zoning changes produced by these negotiations and how public and private engagement produced varying types of rezonings.
3. Classifying Rezonings

“Zoning does not solve problems. Zoning simply records a collective agreement about how we think we have solved problems.” - Robert A.M. Stern

In this chapter I classify the 116 neighborhood-scale rezonings implemented between 2003 and 2013 and analyze the planning rationales and political dynamics that shaped them.

Every neighborhood rezoning is a combination of several types of zoning change to groups of parcels. Bartke and Lamb provide a useful definition of up- and downzonings:

"Upzoning" is a change in zoning classification from less intensive to more intensive; "downzoning" refers to the opposite phenomenon. The change may be in the use (e.g., from single family to multiple residential use), bulk (e.g., from 15,000 sq. ft. minimum lot size to 7,500 sq. ft.), or height (e.g., from 30 ft. maximum height to 60 ft. maximum); occasionally upzoning may involve all three elements.  

Bloomberg-era rezonings implemented changes to all three of these “elements”, sometimes together and often individually, to achieve a wide range of planning objectives. During Bloomberg’s tenure, DCP intermittently changed how it categorized rezonings. By 2013 DCP had settled on the six-part classification scheme pictured in figure 6 which does more to obfuscate the intentions of the rezonings than clarify them but also captured the diversity of zoning map changes. If one takes into account the light red portion of Staten Island

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81 Bartke and Lamb, 702.
indicating the Low Density Growth Management Area and the areas illustrated with a combination of diagonal stripes and red fill, there are eight varieties of rezoning. Ultimately the classifications are just a tool for marketing the policy initiative. Nearly every rezoning featured a mixture of up and downzonings with changes to land use, bulk and height.

Changes to residential capacity are the primary focus of this study. Data on changes to zoned capacity suggests that each rezoning can be classified into one of three categories (figure 7). In my formulation, “downzonings” are map changes that reduced zoned capacity for housing either through downsizing allowed bulk and height or by mandating constrictive building envelopes. “Upzonings” are defined as map changes that significantly increase allowed residential capacity. Finally, “hybrid” rezonings were targeted to dense neighborhoods with multi-family housing typologies, casting contextual districts over residential mid-blocks while increasing zoned densities on wide, usually commercial, corridors. Appendix B has more detail on my methodology for classifying rezonings.

Figure 7 Zoning Classifications

<table>
<thead>
<tr>
<th>Rezoning Action</th>
<th>Administration Rationale</th>
<th>Proponents</th>
<th>Opponents</th>
<th>Areas Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downzonings</td>
<td>Protect low-density neighborhoods from “out of context” development</td>
<td>Local civic orgs., homeowners, local reps</td>
<td>Small construction firms</td>
<td>Neighborhoods across Eastern Queens and southern Brooklyn</td>
</tr>
<tr>
<td>Hybrid Rezonings</td>
<td>Prevent unwanted development on residential blocks while increasing density on commercial corridors</td>
<td>DCP, local civic orgs, development interests</td>
<td>Architectural preservationists</td>
<td>Medium and high density residential neighborhoods well served by mass transit</td>
</tr>
<tr>
<td>Upzonings: Manufacturing to Residential</td>
<td>Capitalize on valuable waterfront property by repurposing underutilized industrial zones</td>
<td>DCP, development interests</td>
<td>Small manufacturers, tenant groups</td>
<td>Industrial waterfront areas in all boroughs but Staten Island</td>
</tr>
<tr>
<td>Upzonings: Business Districts</td>
<td>Address the citywide need for office space and revitalize dragging retail districts</td>
<td>DCP, business and development interests</td>
<td>Nearby homeowners and tenants</td>
<td>Underperforming commercial districts at transit hubs</td>
</tr>
</tbody>
</table>

82 A handful of rezonings fall outside of my scheme. The Hunts Point rezoning shifted the kinds of allowed industrial uses. Rezonings on Fourth Ave. in Park Slope (2011) and the Upper West Side (2012) aimed to regulate commercial mix on shopping corridors.
In the spring of 2004 mayoral spokesman Chris Coffey set the stage for the announcement of a new zoning task force by announcing that “overdevelopment is a five-borough problem and the mayor has made it a top priority in this administration.” The Bloomberg administration was responding to strong pressure from outer-borough elected officials who were in turn responding to mobilized civic organizations. In a 2004 downzoning vote in City Council, then-Brooklyn councilman Michael Nelson captured the sentiments of his constituents and council colleagues in dramatic terms: “we have a cancer seeping throughout...”

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our entire community, and this is the uglification of New York City.”

Since 2002, 64 downzonings have been implemented in the city with most affecting Staten Island, eastern Queens, southern Brooklyn and the northern Bronx.

Battles to limit density in New York go back to the city’s first zoning resolution in 1916. The 1916 resolution generally allowed for high densities and mixed uses. Between 1916 and 1940, 1,371 amendments were made, most implementing downzonings in the outer-boroughs “in efforts to protect the single family house.”

Despite generally reducing the densities allowed since 1916, the 1961 resolution spurred another contextual movement because its reliance on FAR and orientation towards towers in the park massing “reflected disdain for the existing built form” and promoted untraditional architecture. Fearing out-of-context construction, single-family homeowners and architectural preservationists mobilized to create new policy instruments to fight densification. In 1965 the Landmarks Preservation Commission was formed followed shortly after by the first of dozens of special districts. In 1976 the Housing Quality Program was initiated. These three instruments gave communities standard tools with which to circumvent the 1961 resolution’s permissive density allowances.

In 1987, the city modified its zoning regulations to enforce contextual development in low-density neighborhoods. Looking to stabilize neighborhoods in which “sound one- and two-family houses were often demolished and replaced by larger, multifamily buildings,” DCP created a new set of residential districts that control building envelopes (rather than just density) and building design in order to mandate contextual development – often meaning detached housing in low-density areas. A number of preexisting districts were also altered to give them more contextual features.

The use of contextual districts in rezonings has been determined by the city’s political geography. Anti-development sentiments in the outer boroughs are largely channeled through homeowner associations. A 1995 New York Times article reported on the “increasingly influential role of civic associations” in Queens. “We're the vote-casting, tax-paying, middle class of Queens, and we want to be heard,” stated the president of the Cedar Grove Civic Homeowners Association. The group had recently tried to prevent the construction of supportive housing for people with developmental disabilities. "It's not that we're against the

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84 “Resolution approving the decision of the City Planning Commission on ULURP No. C 050194 ZMQ.” NYC City Council, Committee on Land Use, April 12, 2004 accessed at http://legistar.council.nyc.gov/
85 Bressi, 39.
86 Bressi, 66.
individuals," the president told *The Times*, "we’re just against the concept of having group homes in residential areas."

While the mobilization of communities and elected officials against density and new development is not new, it significantly gained momentum in the early 2000s in response to a confluence of factors that spurred developers to build in what had long been sleepy low-rise communities on the periphery of the city. During the 1980s and 1990s the city sold off thousands of vacant lots it had repossessed during the late 1960s and 1970s. With these lots redeveloped, the city was largely built out, particularly in Manhattan. Secondly, after the recession that followed 9/11, real estate reached new heights of activity forcing developers to compete over the few “soft sites” left in the city’s core. Unable to build in Manhattan or downtown Brooklyn, many developers turned their attention to low-density areas of the city, particularly in Staten Island, Queens and South Brooklyn that had previously been off the radar of the development community. Finally, developers found these peripheral neighborhoods to have permissive zoning because they had received almost no attention from City Planning since the implementation of the 1961 zoning resolution. The resolution’s writers were primarily interested in regulating density in Manhattan and treated outer-borough zoning with a broad brush, laying generic zoning districts across whole neighborhoods with little differentiation or attention to existing density and building form. Journalist Sarah Laskow described the 1961 resolution as creating “a loose shape, like a dress bought a few sizes too big.”

The drive towards contextual rezoning under Bloomberg began in July 2003 when the mayor formed a committee to investigate overdevelopment in Staten Island. In the late 1990s over 34,000 people moved from Brooklyn to Staten Island contributing to a 17% population increase in the borough’s population between 1990 and 2000. The Staten Island Growth Management Task Force found that the rapid population increase had spurred “inappropriate and haphazard development” featuring “housing spaced too closely together”, “inadequate yards”, and “insufficient parking”. The Task Force proposed a series of land use changes to “significantly reduce the density of new development” in the borough.

In 2004, the Low Density Growth Management Area (LDGMA) zoning text amendment was adopted, applying new zoning rules to all of Staten Island and community district 10 in the eastern Bronx. The LDGMA created new, more restrictive regulations for yards, parking,

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street trees, open space, structure bulk and lot-size, effectively mandating suburban streetscapes and architectural forms.

The downzoning of Staten Island drew criticism from both the right and left. Writing shortly after the Task Force released its final report, Julia Vitullo-Martin of the Manhattan Institute attacked the plan for framing its analysis upside down: “Overdevelopment is not the problem. The problem is not too many people using property too intensively. Instead, too few people use too much property.” Arguing that Staten Island suffered from classical problems associated with sprawl, including overstretched infrastructure and car-dependency she urged the city to reverse course and pursue “high-density nodes” that justified new infrastructure investments.93

Writing a year after the implementation of the LDGMA, Tom Angotti blamed the overzealous anti-development approach for Staten Island’s “inefficient low-density sprawl that has multiplied traffic and McMansions.”94 Rather than sound planning, Angotti saw the Bloomberg administration’s willingness to downzone Staten Island as vote chasing in homeowner communities with high voter turnouts. Daniel Kramer and Richard Flanagan have argued that Bloomberg needed to appease Staten Island voters because he had recently increased property taxes by 18.5% to cover the post-9/11 budget deficit.95 With the 2005 election looming, Bloomberg was looking for a way to regain favor with one of his strongest constituencies from the 2001 election – Staten Island homeowners. Josh Barbanel, writing in the New York Times in 2004, came to the same conclusion.96

In addition to Staten Island, eastern Queens became an epicenter of downzoning activity in the early years of the Bloomberg administration. In 2005 a federation of civic groups produced the “Eastern Queens Alliance White Paper: A Comprehensive Plan—Maximizing Quality of Life in Southeast Queens”. Noting that the 1961 zoning resolution allows for double the current population, the authors remark that “the modern reality of multiple car households would make such population grossly uncomfortable.”97 According to the Plan, “greedy developers” were responsible for tearing down single-family homes after pressuring owners to sell. They would then “cram the most possible dwelling units” onto the property creating “a visual cacophony, disturbing to the eyes and demoralizing to the spirit.” The Eastern Queens Alliance, predominantly African American in leadership and constituency,

shows a leeriness of the kinds of people that seek out the newly constructed units. On the one hand they warn that an increase in renters has led to “ghettoization” and at the same time, “increases in immigration, and particularly from certain cultures fuel the size and style of new and replacement houses.”

City Councilman James Sanders Jr. championed downzonings across his district arguing that new multi-family buildings were taxing infrastructure and harming the social fabric: “The only way to protect our community is to downzone.”88 Borough President Helen Marshal used her Zoning Task Force to study and advocate for downzonings across the Borough. The administration was responsive: "For many people in Queens, there are few issues more important than over-development," stated Mayor Bloomberg in a June 2004 press release announcing a series of new downzonings.99

Most downzonings enjoyed widespread support from neighborhood residents. Civic organizations and active homeowners found city councilors and DCP representatives responsive to their fears of overdevelopment. In 2009, the Cobble Hill Association blogged its opinion of the rezoning process: “the proposal is a very good piece of work by DCP’s Brooklyn office. They deserve credit for listening to the community and producing work that corresponds to what people have asked for.”100

Typically outer-borough builders were less enthusiastic about contextual rezonings, arguing that zoning restrictions maintained large lots sizes and small structures, thus keeping housing expensive and unaffordable to minority groups looking to purchase a home101 - essentially, DCP was implementing classic, suburban-style exclusionary zoning. A proposed 2005 downzoning in the Staten Island neighborhood of Prince’s Bay was challenged in court by the Building Industry Association (BIA) of New York City on the grounds that it violated the federal Fair Housing Act by discriminating against non-whites. R. Randy Lee, president of the BIA, argued that the downzoning “will bring an increase in house prices and reduce rental units, pushing them beyond the means of low- and moderate-income families. Because minority families are more likely to have low or moderate incomes, the net effect is that minority families are excluded from places where downzoning is applied.”102 Ultimately then-Councilman Andrew Lanza retracted the proposal. A less restrictive rezoning proposal

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101 Barbanel, “Remaking, or Preserving, the City’s Face”.  
passed a year later with amendments allowing two-family homes which would have been prohibited under the original proposal.103

*Downzonings and Neighborhood Change*

Immigration played an important role in the rush of many neighborhoods to seek downzonings. In most cases, the “out-of-context” rental buildings that homeowners sought to zone-out were being built to accommodate demand from low-income immigrant families. For example, Stephen Smith writes that “hundreds, if not thousands, of these small buildings went up in and around Jamaica during the 2000s – catering to a diverse array of immigrants from China and the former Soviet Union, among other places – in areas that are no longer open to redevelopment.”104 Writing for the real estate news site New York YIMBY, Smith also notes that the downzoned neighborhoods around Flushing were pushing back against an influx of Chinese and Korean families. Wakefield and Williamsbridge in the Bronx were trying to limit the tide of African, Albanian and Latino immigrants. The Eastern Queens Alliance White Paper explicitly points to large, newly arrived immigrant families as a threat to home values and neighborhood character. Reflecting on the Richmond Hill (also Queens) rezoning, a nonprofit worker told reporter Sarah Laskow, “The whole genesis of that last downgrade was because the immigrant community was not viewed in a positive way by the establishment… the concept was… if you reduce the size of the house, less of them will be here.”105

Exclusionary zoning in the city’s more suburban neighborhoods has not necessarily succeeded in keeping immigrants out, but rather changed the conditions in which they live in the area. In 2005, Brad Lander told the *New York Times*, “It seems to me that if you refuse growth, you are either implicitly saying we should change our immigration policies and not let people in, or immigrants should live in basements and attics.”106 The latter has come to fruition. Illegal subdivisions and conversions are commonplace in many downzoned neighborhoods. “Illegal conversions are everywhere in central and eastern queens,”107 reported Suman Raghunathan of Chhaya Community Development Corporation in a 2013 interview. Through fieldwork and extensive interviews, Chhaya has documented the extent of a phenomenon that official figures fail to capture. In fact, the controversial 2010 census undercount of the city’s population has been attributed to the number of illegal

103 Kramer and Flanagan, 186.
105 Laskow, “The Quiet, Massive Rezoning of New York”.
dwelling units in Queens whose residents do not receive census surveys. The estimated effect on population counts was as least 250,000 people.\textsuperscript{108}

Illegal conversions are particularly common in areas zoned for low-density land uses.\textsuperscript{109} Immigrant families are drawn to these areas by relatively cheap rents and vibrant immigrant commercial districts. The dearth of new construction in downzoned areas sends families seeking shelter to converted basements or accessory units (figure 9). As Chhaya’s Raghunathan puts it, “in a borough like Queens where there’s not a lot of high density development happening, the only place for people to turn is to converted basements.”\textsuperscript{110} As is apparent in the map below, Queens is the epicenter of illegal conversions in the city. It is also home to a disproportionate number of the city’s undocumented immigrants – 246,000 of 643,000 – whose incomes and legal status are obstacles to attaining formal housing.\textsuperscript{111}

![Figure 9: 311 complaints reporting illegal conversions; source: “Uneven Growth: Uneven New York.” Situ Studio. Blog Post, Nov. 6, 2014, Dept. of Buildings](image)

Downzoned areas have also been subject to overcrowded rental housing, a close relative of illegal subdivisions. Overcrowding is reported by the census for housing units with more than one person per room. Data is not available at the census tract or block level but certain community districts match up well with rezoning areas (figure 10). 28.1% of rental housing in Corona Queens, which received two downzonings under Bloomberg, is overcrowded, the second highest rate of any community district in the city. Overcrowding in Queens community district 4 which includes several eastern Queens downzonings has experienced sharp increases in overcrowding rates since 2009.

\textsuperscript{110} Raghunathan, “Housing Drama”.
How downzonings affected residential capacity

The degree to which new residential density is facilitated or diminished by a rezoning can be measured by changes to the zoned residential development capacity, calculated as the product of the allowed residential floor area ratio and the lot area (see appendix C for more detail):

\[
\text{Residential FAR} \times \text{Lot Area} = \text{Residential Development Capacity (sqft)}
\]

This measure does not necessarily indicate the density of built structures, which depends on the market’s response to land use changes, but instead offers a glimpse into what city regulations permit developers to build as-of-right. By aggregating the residential development capacity for every lot in a rezoning we can distinguish between zoning map changes that were predominantly upzonings and those which primarily sought to freeze or reduce allowed density.

The area subject to the 2008 Rockaway Neighborhoods Rezoning experienced the largest net decrease in residential development capacity of any rezoning studied here with a net loss of 18,613,874 sqft of residential capacity.\(^{112}\) This finding corresponds to DCP’s stated goals for the rezoning which centered on downzoning expansive bungalow neighborhoods to save them from large new structures that were “inconsistent with the prevailing scale, density and built character.”\(^{113}\) Excluding the LDGMA, which primarily leaned on zoning text amendments rather than map amendments, the largest decreases in zoned capacity came from quiet neighborhoods far from the city center (figure 11).

\(^{112}\) Development capacity calculations capture change between 2002 and 2013, which include a small amount of additional zoned capacity due to developer-initiated parcel rezonings.

Downzoning Case Study: Springfield Gardens

The downzoning of Springfield Gardens illuminates the core dynamics at play in many outer-borough rezonings while also providing points of contrast with common narratives about exclusionary zoning. The Springfield Gardens neighborhood forms a triangle just north of JFK airport and adjacent to the large middle-income development Rochdale Village.

Figure 12 Springfield Gardens is located in southeastern Queens adjacent to JFK airport; source: DCP

It shares a common historical trajectory with dozens of other neighborhoods in Brooklyn, Queens and the Bronx starting with the conversion of farmland to residential uses around the turn of the 20th century. Working class German, Irish and Italian families settled in the area building single and two family homes on modest parcel sizes. The 1950 census reported only four African American individuals in the neighborhood, but by 1970 there were 4,719 and the area had become predominantly African American. African Americans constituted 93% of the neighborhood’s population in 1990 before slightly declining to 91% in 2000 and 89% in 2013. Today the area is “home to a varied mix of city employees, professionals and service workers.” There is an express bus that runs from Rochdale Village towards Manhattan but the area is not served by the subway.

116 Speller, “Real Estate Scene: A Tree-Lined City Oasis, Springfield Gardens Offers a Varied Mix”.
Starting around the year 2000, The United Neighbors Civic Association of Jamaica, Inc. (UNCA) began lobbying for a rezoning to protect the neighborhood from new development. The group had unsuccessfully sued the city in 1983 to stop a senior supportive housing complex from being cited in Springfield Gardens. This time UNCA mobilized around new multi-family developments in the low-rise area, canvassing the neighborhood and collecting signatures on a petition which they brought to DCP and their elected officials. City Councilman James Sanders, a proponent of rezonings across his district, took up UNCA’s cause. Speaking of the Springfield Gardens rezoning, Sanders said, “I have long been an ardent supporter of downzoning because of what some of these ruthless developers are doing to our community. These multifamily apartments obeyed only the letter of the law and not the spirit of the neighborhood.” With Saunders’ support, the rezoning proposal was endorsed by Community Board 12, and approved by the Planning Commission and the City Council (all unanimously) in the spring of 2004. It placed the whole neighborhood into a low-density contextual district, which mandated detached homes with modest bulk.

Census demographic counts in a neighborhood like Springfield Gardens have to be assessed with caution since they likely exclude families living in illegal basement units and undercount the size of immigrant populations. Nevertheless, demographic changes reported by the census can help us understand the context in which Springfield Gardens was rezoned. The area’s population, incomes and rents were relatively stable between 1990 and 2000. Following the year 2000, population growth picked up, fuelled by an increase of almost 500 people of West Indian ancestry and 460 Hispanics. The population living in group quarters also rose substantially, from 14 in 2000 to 989 by 2013. Median incomes fell by $4,560 while median rents increased by $186.

Springfield Gardens has only added 126 housing units since 2000 despite 846 more inhabitants according to the census bureau. Between 2000 and 2005, the number of renter occupied units increased before falling by the 2009-13 ACS survey.

2000 Census: 810 rental units
2005-9 ACS: 936 rental units
2009-13 ACS: 848 rental units

Between 2003 and 2006 (using data that only goes back to 2003) home sales in Springfield Gardens surged with a corresponding increase in sales prices, until a sharp crash in the local housing market starting in 2007. Between 2008 and 2013 there were only 12 to 23 home

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120 Resolution approving the decision of the City Planning Commission on ULURP No. C 050194 ZMQ.” NYC City Council, Committee on Land Use, April 12, 2004
sales a year, while 2003-2007 had between 30 and 55 sales a year with sales prices that approached $400 a square foot despite the neighborhood’s peripheral location and proximity to the airport.

These numbers suggest that in the years since the downzoning, Springfield Gardens has had a stagnant housing stock while immigrants have continued to arrive and the population has diversified modestly. The rezoning was implemented amidst a boom in the local housing market and it did not seem to have halted sales, which continued at a rapid pace until the market collapsed in 2007. The census figures do suggest that the rezoning halted the growth of rental units, which was the intention of UNCA and Councilman Saunders.

The downzoning of Springfield Gardens reflects a similar story to those of neighboring Cambria, Rosedale and Laurelton. These neighborhoods are home to primarily middle-class black communities who are invested (socially and financially) in maintaining the quality of their surroundings. In a 2006 story for the New York Times, Sam Roberts reported that the median income of black households in Queens had surpassed whites due largely to the strength of black homeowner communities in the southeast of the borough. Roberts compares the trajectory of many residents from low-income sections of Brooklyn, Manhattan and the West Indies to suburban Queens to the transition of white ethnics out of immigrant ghettos a century ago. However, not long after the Springfield Gardens downzoning, southeast Queens became the location of one of the highest concentrations of foreclosures in the country starting with the recession and continuing after most of the city had recovered. Today, home values in Springfield Gardens and its surrounding neighborhoods have still not recovered to their mid-2000s levels. Chapter 5 will explore how the development and demographic dynamics in downzonings like Springfield Gardens impact the growth and affordability patterns citywide.

Hybrid Rezonings

In addition to the low-density contextual rezonings we are calling downzonings, DCP pursued contextual rezonings in a number of higher density neighborhoods. These rezonings, which I am calling Hybrid Rezonings – they are described as “neighborhood enhancement” rezonings in some DCP documents – share traits with both downzonings and major upzonings like Greenpoint-Williamsburg and Downtown Brooklyn.

Like the low-density variety, they were fundamentally a response to new development activity and the loss of historic structures. However, a number of factors distinguish them from downzonings like Springfield Gardens. First, hybrid rezonings tended to take place in relatively central locations in the city such as the East Village/Lower East Side, Park Slope, Bed-Stuy and East Harlem rather than Staten Island, the northern Bronx or eastern Queens. Second, the built environment in these neighborhoods was already dense - usually rowhouses or apartment buildings – rather than single family homes. Finally, these rezonings promoted targeted housing growth, sometimes via inclusionary zoning.

The 31 hybrid rezonings mapped during the Bloomberg administration (see figure 8) responded to community concerns about overdevelopment by applying contextual districts to residential blocks. Contextual districts in this category generally correct for bulk regulations dictated by the 1961 resolution that encouraged tower in the park style massing. In particular, the 1961 high-density districts require developers to set their buildings back from the street in order to reach the maximum permitted FAR for a lot. For infill developments this means breaking the street wall and disrupting the feel of traditional New York rowhouse and apartment blocks. High-density contextual districts correct for this by implementing street wall height minimums and building height maximums that match surrounding buildings.

On wide avenues, hybrid rezonings map new, higher density districts in order to encourage new housing. DCP frames these targeted upzonings in gentle terms to assuage neighborhood fears of massive new construction; typical documentation for hybrid rezonings propose to “provide opportunities for housing and development, where appropriate, at a height and scale that is in keeping with the existing context and provide incentives for affordable housing with new development.” Starting in 2005, the Inclusionary Housing Program was frequently applied to the wide avenues in these rezonings, incentivizing affordable housing construction by offering developers a heights bonus.

123 R6A, R6B, R7A, R7B, R7D, R7X, R8A, R8B, R8X, R9A, R9D, R9X, R10A and R10X; at time of writing, DCP is considering making these districts easier to build affordable housing in by decreasing parking requirements and increasing height maximums.
Hybrid rezonings were often prompted by communities seeking to avoid institutional projects in their area. Hospital and university expansions, hotels, supportive housing, and homeless shelters typically qualify as “community facilities” which receive a special FAR bonus under the 1961 zoning resolution. The density bonus gives these uses an economic advantage over contextual developments. Many hybrid zonings were spurred by homeownering households who, like dowzoning advocates in more suburban neighborhoods, were motivated by fears of unattractive, overly dense new development and particular new development that concentrated populations in need of supportive facilities.

**Hybrid Rezoning Case Study: Crown Heights West 2013**

The 2013 Crown Heights West rezoning remapped residential streets with contextual districts while upzoning Franklin Avenue with voluntary inclusionary zoning density bonuses. A rezoning study had originally been requested seven years earlier by Community Board 8. The Community Board was primarily composed of African American and West Indian homeowners, many of whom had spent years struggling to improve the public life of their embattled neighborhood. Low-income renters, a majority in the area, were underrepresented in community politics. The zoning study request and eventual rezoning reflected the interests of the homeowners with a strong emphasis on architectural preservation and quality of life issues such as keeping retail out of midblock areas.

The Crown Heights Rezoning is reflective of similar hybrid rezonings in neighborhoods like the Lower East Side/East Village and Bedford-Stuyvesant where rezonings reflected the interests of the relatively well-off and well-connected sections of the neighborhood. This phenomenon is especially pronounced in hybrid rezonings because they took place in more heterogenous neighborhoods than downzonings but ones with deeper established civic life than many upzonings. Many hybrid rezonings also occurred in neighborhoods experiencing various stages of gentrification, polarizing the interests of renters and owners to an even greater extent than usual.

Two years later, the effects of the rezoning are being felt. A massive mixed-use project is underway at 1535 Dean Street. Previously zoned to allow a maximum FAR of 3 but upzoned to 4.6, the property will yield 8 stories and 119 apartments, ostensibly with 20% affordable.

Prior to 2013 the zoned capacity would have allowed a 4 or 5 story structure with roughly 60 units. Thus the rezoning created immense value at the site. The lot was purchased for $7.5 million in 2008 and sold to the current developer for $18 million in 2014. One block away a

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126 “Rezoning New York City Lower East Side and Coney Island.” Community Development Studio, Edward J. Bloustein School of Planning and Public Policy, Rutgers University. Spring 2009.
A gas station previously zoned exclusively for manufacturing uses is being redeveloped into a ten-story 133 unit complex after selling for $32.5 million in February 2015.¹²⁸

Figure 13 The Kew Gardens-Richmond Hill Hybrid Rezoning; Source: Dept. of City Planning

The zoning maps in figure 13 illustrate the multi-pronged approach favored in hybrid rezonings. In Kew Gardens, DCP set out to “to address the communities’ concerns that recent development trends are out of context with the existing character, while also providing for much needed housing opportunities along appropriate growth corridors.”¹²⁹ The yellow districts in the proposal highlight areas where contextual zones are being applied to regulate the bulk and design of new development. The pink districts are upzonings to encourage growth along Jamaica Avenue and Metropolitan Avenue, areas served by wide commercial corridors and access to public transportation (the J/Z and E trains as well as buses). The net impact of the rezoning was to create almost 8 million sqft in new residential capacity, despite constraining growth in large swaths of the rezoning area.¹³⁰

Upzonings

While they only constitute a small portion – in terms of number of projects and land area – of all rezonings, twenty major upzonings are most often identified with Bloomberg and Burden’s legacy. As discussed earlier, almost every rezoning includes some number of upzoned lots and hybrid rezonings in particular feature significant amounts, but what I am calling upzonings are distinguished by the degree and ambition of increases to allowed density. Not only did upzonings allow for more development but they also allowed for new land uses, the activation of city-owned land, and changes to public space. Together these

¹²⁹ Dept. of City Planning. “Kew Gardens and Richmond Hill Overview”.
¹³⁰ Some areas that were not previously zoned for residential already had housing on them. In these cases the rezoning was correcting the zoning map to represent existing conditions in addition to creating the opportunity for new growth.
features constitute something closer to planning rather than mere zoning unlike the interventions in downzonings and hybrid rezonings.

Upzonings came in two flavors (see figure 7): those governing industrial conversions (Greenpoint-Williamsburg, West Chelsea, Hudson Yards, Lower Concourse among others) and those centered on business district activation (the Jamaica Plan, Downtown Brooklyn and St. George).

Industrial to Residential
For the Bloomberg administration, upzonings were fundamentally an instrument of economic development. In the city’s industrial zones, long protected by 1961’s restrictive land use regulations, Bloomberg’s vision of economic growth collided with the city’s waning former economic driver. “By 2002, the city's economy had changed dramatically—but we were penned in by land-use restrictions that no longer made any sense,” Bloomberg reflected in a 2007 speech, “even though market forces were pressing for housing in these areas, the city’s regulations prohibited it.” Though his administration’s thinking on preserving manufacturing evolved somewhat over time, Bloomberg fundamentally saw heavy industry as part of the past: “decades ago, there was a belief—still around today—that with the right zoning, you could preserve a big share of the city's industrial economy. Unfortunately, that’s not how the world works.”

The 1961 resolution had set aside large tracts of land for industrial use on much of the city’s waterfront and in large corridors near rail lines. When it came to industrial uses, the 1961 zoning did a poor job of accounting for changes that were already underway, particularly the massive shift of industrial jobs away from the northeast and ultimately out of the country. But local changes were also taking root in the 1960s: truck transportation overtook rail and ports as the primary method of moving goods in and out of the city, new types of manufacturing were generally less noxious than those they replaced and thus required less distance from residential districts, and industrial uses started to command lower land rents than residential and commercial. Additionally, many of the manufacturing districts mapped in 1961 had replaced “unrestricted” districts from the 1916 zoning resolution. These areas had a mixture of preexisting industrial, residential and commercial uses which persisted after

131 In 2005, alongside a slew of industrial-to-residential rezonings, the city introduced Industrial Business Zones (IBZ’s) to protect some manufacturing areas. Their geographic scope and efficacy at protecting manufacturing from other competing uses has been limited. See NYC City Council, “Engines of Opportunity: Reinvigorating NYC's Manufacturing ones for the 21st Century”, Nov. 2014.


133 Bressi, 129.
Thousands of residential housing units still sit on land zoned for manufacturing. Numerous public and commercial facilities (e.g. airports, hotels, transportation and sewage infrastructure) are also sited in manufacturing districts as-of-right. In addition to these historical factors, by 2002 most large lots in the city were built out, so industrial zones offered the city a rare opportunity for ambitious, large scale development.

Diverse arguments supported rezoning manufacturing districts. For some, manufacturing districts were unduly constraining residential and commercial developers who were eager to build and contribute to the city’s property tax revenues. Others from the right and left invoked arguments rooted in the origins of the American zoning movement about industrial nuisances, pollution and health impacts. Others argued for industrial rezonings as a way to spur community development in marginalized communities: “You can't build the South Bronx back up again on car shops, waste facilities, and transfer stations,” explained DCP’s Bronx director.

Starting with the rezoning of Long Island City at the end of Mayor Giuliani’s tenure, DCP executed a series of high profile, large scale industrial-to-residential rezonings including West Chelsea (2005), Greenpoint Williamsburg (2005), and Hudson Yards (2005) as well as somewhat less well documented rezonings that also involved significant redistricting of manufacturing uses in Morrisania (2003), Hunters Point (2004), Lower Concourse (2009) and Third Avenue/Tremont (2010) in the Bronx, as well as the DUMBO (2009) and Culver El (2010) rezonings in Brooklyn and the Ladies Mile (2004) rezoning in Manhattan.

The mixed-use (MX) district has been DCP’s primary instrument in these rezonings. Introduced in 1997, MX zoning allows for as-of-right conversions to residential. In a strong market, the MX district has proven to be a vehicle of residential conversions since luxury residential uses offer buyers the highest return on investment. Once Bloomberg had signaled his attention to rezone manufacturing zones, speculators responded quickly and land prices jumped up to reflect projected revenues from a future rezoning. For many real estate investors and developers, prime residential land was priced out of reach and gambling on a future rezoning was an economical way to pursue what could be massive profits. In the

135 Wolf-Powers, 390.
136 Bressi 166
140 Derek Marcus, Interview
fourteen areas rezoned to MX (twelve were under Bloomberg), 41% of all industrial space has been converted to other uses. Residential uses have increased by 71%.  

The 2005 West Chelsea rezoning implemented several zoning mechanisms to spur the redevelopment of the Highline and its surrounding neighborhood. In addition to the creation of special mixed-use districts, the city created a market for transferable development rights, allowing owners of lots below the Highline to sell FAR to nearby buildings. In addition, the new inclusionary housing program was mapped over the area. Lots within the West Chelsea rezoning area underwent a dramatic change in land use and assessed values. Between 2002 and 2013, manufacturing uses in the rezoning area decreased in floor area by 2,538,309 sqft (71% decrease) while residential uses increased by 4,221,807 sqft (306% increase). 1,097 residential units in 2002 mushroomed to 7,244 by 2013 and assessed property values rose by 144% for elevator rental buildings and 173% for mixed-use buildings compared to 29% and 52% respectively citywide. 1,441 units of affordable housing were constructed through inclusionary zoning, the most successful application of the program to date. The West Chelsea rezoning highlights the power of the city’s zoning tools to catalyze markets and create a huge amount of value from manufacturing districts.


Upzoning Case Study: Greenpoint-Williamsburg

The 2005 rezoning of the Greenpoint-Williamsburg waterfront had an immense impact on northwestern Brooklyn but stands even larger in the collective imagination because of the visibility and symbolic power of the development that grew on upzoned lots. Much of the northern Williamsburg neighborhood, nestled between Newtown Creek and the East River had been zoned for “unrestricted use” by the 1916 zoning ordinance, giving the area a mixture of commercial, residential and industrial uses and a diverse population of Hispanic and Italian-American families, artists and designers. Starting in the late 1990s industrial-to-residential conversions in Williamsburg picked up pace. Property owners found the Board of Standards and Appeals happy to grant variances within manufacturing zones at a scale that constituted “passive support of deindustrialization” according to Laura Wolf-Powers. As each conversion was granted, land prices rose, fuelling speculative investments and the displacement of small industrial firms.

![Figure 14 The Greenpoint-Williamsburg Rezoning; Source: DCP](image)

The community also struggled with waste transfer stations and other noxious enterprises sited by the city on the waterfront. In response, Brooklyn Community Board 1 led the production of a 197-a plan that called for open space and public access to the waterfront,

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144 Wolf-Powers, 80.
affordable housing with densities reflecting the existing housing stock, and protections for the non-noxious industrial uses in the neighborhood. The city council approved the plan in 2001. Nevertheless, two years later DCP presented a new zoning proposal for the area. The proposal reflected the administration’s strategy of using rezoning to simultaneously spur population growth and economic activity. According to NYU professor Mitchel Moss, the plan provided “new places to live for a growing population” while also creating “enormous value in previously derelict land, enhancing the City’s future economy and tax revenue.”

The waterfront was to be rezoned to high-density residential while areas immediately inland would be placed in MX districts. Further from the waterfront, contextual districts were mapped to preserve predominantly residential blocks.

A number of different interest groups weighed in on the rezoning, each with a distinct agenda. Environmental advocates who had been trying to block industrial health hazards on the waterfront commended the plan’s embrace of non-noxious uses, but worried that public access to the water was too limited. Tenant advocates feared displacement pressures from the new development. Manufacturers saw trouble in the new MX district, which would incentivize conversions to residential use. After three years of negotiations, the city made a number of concessions, winning the support of key community leaders and the local councilmember. The concessions included the promise of additional park space, FAR reductions, the preservation of some industrial parcels originally slated for rezoning and the implementation of inclusionary zoning on the waterfront. A year later, anti-harassment provisions were added to protect tenants from illegal evictions.

![Figure 15](source: Dept. of Finance, annualized sales files)

After the rezoning was approved in 2005, redevelopment began almost immediately. Despite a slowdown in development during the recession, the rezoning area has experienced immense changes. Figure 15 illustrates how residential sales surged with the city’s recovery from the recession. Not only have high-rise condo buildings risen on the waterfront, residential uses have replaced much of the manufacturing enterprises in the MX zone. Even

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145 Moss, 42.
in areas protected by an “Industrial Business Zone”, hotels and nightlife venues have replaced industry. Between 2002 and 2013 rezoned parcels have undergone the following changes:

- Added nearly 10,000 housing units
- Lost nearly 8 million sq ft of manufacturing uses while adding over 12 million sq ft of residential uses
- The number of housing units renting for more than $2,000 a month increased by 687%
- Assessed values for tax purposes have increased 247% for “Mixed Residential & Commercial Buildings”

Between 2000 and 2013:

- The Hispanic population decreased by just under 2,500 while the white population increased by nearly 5,500
- Median gross rents jumped from inflation adjusted $949 to $1,603 per month
- Median household incomes rose from inflation adjusted $46,255 to $71,325

Across the board these numbers point to the most explosive growth and most rapid displacement in New York City. Meanwhile promises associated with the 2005 rezoning have fallen short. In addition to the failed preservation of manufacturing uses, a park promised to the community is yet to be built as land speculation has driven up costs to the city of acquiring the necessary properties.

Figure 16 illustrates some of the market dynamics of the rezoning. The 421A tax abatement forgives property taxes for 10 to 25 years. The chart tracks 421A developments within the portion of Greenpoint-Williamsburg rezoned in 2005. Changes to the program in 2007 brought an affordable housing requirement to 421A projects in Williamsburg, however implementation of the requirement has been slow. Construction takes off after the 2005 rezoning indicating the new value created through the upzoning. Only a small portion of units in 421A developments have been affordable.

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The Greenpoint-Williamsburg rezoning stands out for its innovative elements, particularly inclusionary zoning as well as the diversity of stakeholders involved in the rezoning process. Environmental groups, affordable housing advocates, tenant leaders, manufacturers, developers, waterfront landowners, and the Bloomberg administration which steered negotiations over several years, all vied for influence. The final outcome is reflective of a number of other high-profile upzonings:

1. The demographics and location of the area invited a broad group of stakeholders to the table,
2. The city played a primary role in initiating and guiding the rezoning,
3. Little of the immense private value created by the upzoning was captured by the public,
4. The negotiated outcome included concessions to community interests, and
5. Policy measures to mitigate displacement had little impact.
Economic Development Rezonings

A number of major upzonings were aimed at struggling commercial and office hubs. Spurred by a desire to maintain New York City as the region’s business center – a battle that has been waged against New Jersey and Connecticut since the 1980s – the Bloomberg Administration targeted downtown Brooklyn, 125th St., Coney Island, Jamaica, Fordham Road, Long Island City, Willets Point and St. George for major upzonings to allow for new office, hotel and entertainment facilities. Burden used the administration’s city-as-business metaphor to describe these rezonings: “we have to provide different products for different customers. When you look across the Hudson, a lot of that development should have been ours but we weren’t ready for it, we weren’t zoned for it. We are underzoned. So the mayor says create business districts in each of our boroughs.”

DCP’s description of the Fordham Road rezoning illustrates that like other zonings, business district rezoning include a mix of density increases and decreases: “As part of the City’s economic development strategy of strengthening commercial districts city-wide, this rezoning is designed to create new opportunities for growth while reinforcing the commercial character and vibrancy of East Fordham Road.” However, economic development rezonings are distinguished by their ambition and willingness to promote high densities. The administration understood these rezonings as catalysts, sparking new development in transit-rich neighborhoods. According to REBNY president Steven Spinola the 2004 Downtown Brooklyn rezoning “has unleashed tremendous private investment in the area and put in place a downtown with world-class amenities that would rival any downtown in the country.” Spinola argues that that the rezoning catalyzed the Brooklyn Bridge Park and Atlantic Yards projects and the expansion of New York University into the area.

Public-Private partnerships were key to a number of economic development upzonings. The Downtown Brooklyn Partnership was tasked with “overseeing the area’s growth”, while the Greater Jamaica Development Corporation received the backing of the EDC to take on a broad role in the implementation of the “Jamaica Plan”. Upzonings tended to be large collaborations between multiple city agencies, developers and landowners, and quasi-governmental institutions. In these rezonings, zoning instruments were integrated with economic development interventions such as tax incentives and public-private partnerships.

152 Ibid.
In this way they amounted to something closer to master planning rather than the raw zone remapping of downzonings and many hybrid rezonings.

**How upzonings affected residential capacity**

The 2005 Greenpoint-Williamsburg Rezoning allowed for the greatest increase in residential zoned capacity at 40,910,232 additional sqft. With the exception of the Culver El Rezonings which only encompassed seven city blocks, the ten largest upzonings include some of the Bloomberg administration’s most ambitious economic initiatives and several of the largest manufacturing-to-residential conversions to date.

<table>
<thead>
<tr>
<th>Ten rezonings with the largest percentage increase in residential development capacity:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net change (sqft)</strong></td>
</tr>
<tr>
<td>1. Stapleton Waterfront</td>
</tr>
<tr>
<td>2. Culver El</td>
</tr>
<tr>
<td>3. Port Morris/Bruckner Boulevard</td>
</tr>
<tr>
<td>4. DUMBO</td>
</tr>
<tr>
<td>5. Bridge Plaza</td>
</tr>
<tr>
<td>6. West Chelsea</td>
</tr>
<tr>
<td>7. Hunters Point</td>
</tr>
<tr>
<td>8. Morrisania</td>
</tr>
<tr>
<td>9. Greenpoint-Williamsburg</td>
</tr>
<tr>
<td>10. Hudson Yards</td>
</tr>
</tbody>
</table>

Figure 17 Source: DCP PLUTO Dataset 2002 and 213

**The spatial distribution of rezonings**

A quick glance at the map of rezonings indicates that many downzonings are in the outer portions of the city (figure 18). The difference in locations between types of rezonings can be quantified. Following a methodology employed by the New York Federal Reserve153, we can consider the Empire State Building as the center of the city. On average, downzonings were located twice as far from the center as upzonings and hybrid rezonings (figure 19).

---

For the most part, this is indicative of the city’s historical development patterns. Peripheral areas with poor subway access developed as low-density, suburban-style neighborhoods. Today these communities have high proportions of homeowners and a distinctive politics which will be explored more in chapter 5. Hybrid rezonings and upzonings congregate closer to the city’s core because they have been sited in high density residential and industrial areas that originally developed because of their proximity to mass transit and the waterfront.

<table>
<thead>
<tr>
<th></th>
<th>Ave. distance from the Empire State Building (miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downzonings</td>
<td>10.1</td>
</tr>
<tr>
<td>Hybrid Rezonings</td>
<td>5.3</td>
</tr>
<tr>
<td>Upzonings</td>
<td>5.4</td>
</tr>
</tbody>
</table>

*Figure 19*

**Considering the rezonings in relation to one another**

While rezonings were developed one by one, they were also designed to achieve strategic complementarities. DCP officials have often explained that many downzonings were implemented in tandem with upzonings so as to prevent a heated market from spilling over into neighborhoods not designated for growth.\(^{\text{154}}\) This pattern is apparent in Williamsburg, where the waterfront rezoning was followed by a contextual rezoning of inland Williamsburg a year later. DCP explained that the upzoning next door had caused “The recent surge in residential construction” that was “inconsistent with, and disruptive of, the low-rise

\(^{\text{154}}\) Larson 89, Justin Moore interview
attached residential context” of inland Williamsburg. The same reasoning was invoked in the contextual rezoning of the neighborhoods surrounding the Jamaica Plan (figure 20). And in downtown Brooklyn, where the adjacent neighborhoods of Carroll Gardens and Boerum Hill – already gentrifying – feared ripple effects from the value being created close by, several neighborhoods were given the contextual treatment. Thus, downzonings were frequently framed as a way to mitigate against the negative externalities of upzonings by containing the expansion of new development.

Another important way in which rezonings were interrelated was their sequential nature. There was a sense from communities as well as within DCP that once a certain area was rezoned, neighboring areas were “up next”. Particularly in parts of the city seeking downzonings, a rezoning in an adjacent neighborhood would mobilize communities out of a sense of fairness or entitlement and a fear that unwelcomed development would be pushed into their area. Interviews with DCP staff has indicated that DCP’s capacity to conduct rezoning studies was constrained by limited staff and the lengthy, intensive nature of studies. Sequencing rezonings was one way of managing demanding work with limited resources. However, the tendency of rezoning studies to travel from neighborhood to neighborhood has implications for the city’s ability to plan comprehensively for growth. They will be explored further in chapters 5 and 6.

4. Quantitative Analysis: Real Estate Development and Neighborhood Change in Rezoned Neighborhoods

"We joke around and say, 'Where are we going to put poor people, in the Atlantic Ocean?'"\textsuperscript{156} - Homebase (homelessness prevention) Director Mirtha Duran

This chapter begins with an assessment of how each type of rezoning promoted or inhibited housing growth. It then moves on to an exploration of neighborhood change within the rezoning areas.

In the years leading up to the recession, public awareness of an affordability crisis mounted. The city’s median gross rent as a percentage of household income increased from 27.6\% in the 2000 census to 31.7 in the 2005-09 American Community Survey (ACS). The latest ACS has that number at 33.2\%, with the highest burdens falling on low-income households. During his first reelection campaign in 2005, Bloomberg turned towards emphasizing affordable housing as a key feature of attracting and retaining international job seekers.\textsuperscript{157} In addition to being a political liability for the Bloomberg mayoralty, affordability issues were perceived to endanger New York’s ability to attract companies from elsewhere in the US and the world.\textsuperscript{158} The Bloomberg administration addressed affordability with two policy initiatives aimed at producing government-supported housing, the New Housing Marketplace Plan (NHMP) and the Inclusionary Housing Program, as well as a supply-side, market-based strategy. Rezonings were crucial to both the market and non-market approaches.

**New Housing Marketplace Plan**

Through the NHMP, the administration looked to use financial and zoning instruments to promote the preservation and development of below market (“affordable”) housing.\textsuperscript{159} Given the administration’s faith in the power of markets and distaste for unnecessary government interventions, the affordable housing push held political significance as a concession to affordable housing developers and disadvantaged communities who otherwise stood to miss out on the city’s substantial new investments in market-oriented redevelopment.


\textsuperscript{158} Brash, 261

\textsuperscript{159} I will use “affordable” as a stand-in for government-supported below market units rather than cheap housing available on the market.
Self-described as “the largest municipal housing effort in the nation’s history” the 2003 New Housing Marketplace Plan (NHMP) set the course for the administration’s affordability initiatives. The Koch housing plan – the city’s last ambitious affordable housing plan at that point - had focused on disposing of in rem properties. With the in rem stock mostly depleted by the 2000’s, NHMP focused on leveraging government action to encourage the private market. It employed below-market loans, direct subsidies and tax exemptions to induce developers and landlords to preserve existing affordable units and create others. In 2006 Bloomberg extended the initial six-year, 65,000 unit plan to a ten year, 165,000 unit plan. The expanded plan made extensive use of increased density – “targeted rezoning actions have ushered in new neighborhoods” – which set the stage for affordable housing development that stretched into Bill De Blasio’s tenure.

By the time Bloomberg left office, NHMP had met its numerical goals, financing over 165,000 units of affordable housing. However this achievement has drawn scrutiny for both the type of units produced and their location. Most units produced under the program were located in the south Bronx, central Brooklyn and upper Manhattan, areas with high poverty and crime rates and struggling schools. NHMP construction and preservation efforts replicated the geography of the Koch plan, depending on areas with low land values or high numbers of city-owned lots. Meanwhile, subsidized units in Manhattan timed out of their rent restrictions at much higher rates, with NHMP incentives unable to persuade landlords or cooperative owners to keep their buildings in affordable housing programs. This divergence deepened preexisting spatial divides in the city’s affordable housing stock with more affordable units concentrated in disadvantaged, majority minority neighborhoods while Manhattan and inner Brooklyn became more exclusive.

To capitalize on federal programs and deal with high land costs, NHMP used income bands that skewed towards middle-income owners and away from the very poor. In low income neighborhoods – where NHMP operated for the most part – metro area-based AMI definitions meant that “about two thirds of New Housing Marketplace units are too expensive for the majority of local neighborhood residents.” In some neighborhoods, like Tremont in the Bronx, new affordable developments charged rents higher than those paid by market-rate tenants in neighboring buildings. To some extent the income bands were

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influenced by federal policy design and particularly the limitations of the Low Income Housing Tax Credit. NHMP also acted on demands for more middle class housing and thus shifted income targeting to include household incomes that would be considered wealthy in most of the country.\textsuperscript{164}

**The Inclusionary Housing Program**

First instituted in 1987 but only brought to scale in 2005, the Inclusionary Housing Program, also known as inclusionary zoning, incentivizes affordable housing development through density bonuses. Under the Bloomberg administration, the inclusionary housing program was voluntary and only available in certain designated areas, which were mapped as part of rezonings. The revamped program was first put into effect to win community support in the Greenpoint-Williamsburg and Park Slope rezonings.

While the Inclusionary Housing Program was frequently hailed by DCP and the Mayor as an important innovation, its impact was limited. In neighborhoods with middling or slow housing markets, projected revenues from density bonuses were not enough to convince developers to utilize the program. Of the 2,888 affordable units incentivized between 2005 and 2013 (out of a projected 10,000), almost all were in the West Chelsea and Greenpoint-Williamsburg rezonings.\textsuperscript{165} Only 7\% of new multi-family buildings in the designated zones included any affordable units.\textsuperscript{166} Six years after the East Village/Lower East Side rezoning, only 59 of 348 anticipated affordable units had been induced by the inclusionary zoning district. Inclusionary zoning was applied to the Park Slope rezoning area in 2006 and has only spurred the creation of six affordable units out of a projected 130. Only 6.2\% of all units permitted in the area were affordable, indicating a severe underutilization of the inclusionary housing program.\textsuperscript{167}

The Bloomberg administration edition of inclusionary zoning suffered from poor design. Most importantly it was limited to select rezonings, so only a small portion of the city’s parcels were ever eligible. In those rezonings where inclusionary zoning was implemented, it was voluntary and when developers did their arithmetic it rarely made sense for them to build affordable housing. In many cases this was because the added density bonus did not allow them to recoup the costs of building 20\% affordable units. In other circumstances land


\textsuperscript{166} Ullman, Michael, Michael Freedman-Schnapp and Brad Lander. “Inclusionary Zoning”.

costs were prohibitively high relative to demand and developers were not prepared to build at all.168

Finally, inclusionary units were usually targeted to households making 80% of AMI, an income that far exceeded the median income for most New York City neighborhoods. There is also an argument that by attaching affordable housing provision to what are, inevitably, luxury housing developments, inclusionary zoning is wound up in the displacement of low-income people in vulnerable neighborhoods.169 This is explored further in chapter 5.

The Supply-Side Approach
The other piece of the administration’s effort to maintain affordability amidst a hot market was to promote market rate production. New York’s population growth had long outpaced the growth of the housing stock and the thinking went that by increasing housing supply to meet demand, the housing market would be brought into equilibrium. PlaNYC succinctly laid out the supply side approach: “increasing the affordability of housing for New Yorkers is directly connected to increasing the supply of housing. When supply cannot keep up with the demands of a growing population, housing becomes less affordable, as residents bid higher to live in existing units.”170

Former director of the Manhattan DCP office, Vishaan Chakrabarti has been a central proponent of supply-side growth within New York City government and policy circles. He argues that densification and improved mass transit are together “the silver bullet” for addressing New York’s affordability issues.171 He has proposed landfill between Governor’s Island and lower Manhattan to create a new district for development. In a 2013 report coauthored with Jesse Keenan, Chakrabarti supports implementing infill development on every feasible lot, essentially maximizing density allowed under current zoning. In addition he would identify “hyper-urban zones”, infrastructure rich nods that could support extreme upzonings. Former Planning Commissioner Alex Garvin came to a similar conclusion in a shelved housing and infrastructure plan commissioned by the EDC in 2006. Garvin found a shortage of housing and insufficient infrastructure to be the two central impediments to New York’s “competitive advantage”. The housing shortage, he proposed, could be addressed by building on top of rail yards, highways and the waterfront.172

168 Madar, Josiah and Mark Willis. “Creating Affordable Housing Out of Thin Air: The Economics of Mandatory Inclusionary Zoning in New York City” NYU Furman Center, Policy brief. March 2015.
171 “Zoning the City” Conference, 2013
Unlike the stark, economics 101 discourse of Chakrabarti and Garvin, Amanda Burden framed densification as part of a holistic effort to create mixed-income, mixed-use neighborhoods. She combined technocratic argumentation with the language of Jane Jacobs to describe the city’s planning interventions: “Improvement of neighborhoods — some people call it gentrification — provides more jobs, provides housing, much of it affordable, and private investment, which is tax revenue for the city…we are making so many more areas of the city livable.”

In practice, densification was pursued in upzonings and hybrid rezonings as well as in developer-initiated and state-led projects like the Atlantic Yards redevelopment. Overall, the administration succeeded in increasing the pace of new construction (figure 21). A considerable number of new buildings utilized the 421-a tax exemption, a state program that exempts developers from property taxes for 10-25 years.

Figure 21
Source: NYC RGB
“2014 Housing Supply Report”

How much did rezonings contribute to housing growth?
According to census data, New York City added 48,710 occupied housing units between 2000 and 2013, a 1.6% increase. Census reporting of housing units in New York is known to overcount vacant units and undercount the total number of units. Parcel data from DCP shows an additional 228,709 additional units, a 7% increase, counting both occupied and vacant units between 2002 and 2013. The figure derived from parcel data generally matches data reporting the number of certificates of occupancy granted during the period.

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173 Satow, "Amanda Burden Wants to Remake New York"
Using parcel information from DCP’s PLUTO dataset, it is possible to explore several dimensions of housing change in neighborhoods rezoned between 2003 and 2010. While these rezonings constitute 18% of New York City’s lot area, they bore 41% of the city’s growth in housing units between 2002 and 2013. Upzoned areas only covered 2% of all lot area but contained 21% of all new units. Rezoned areas primarily produced new elevator buildings which DCP describes as “larger apartment buildings and newer buildings with five or more stories,” and mixed use buildings “typified by apartment buildings with stores and/or neighborhood services on the ground floor.”

Production in those categories proportionately outpaced the city as a whole.

Housing production within the rezoned areas is starkly differentiated by the type of rezoning applied. Downzoned areas had a net increase of over 7,000 small homes, while few were added to hybrid and upzoned areas. This reflects preexisting zoning differences that were reaffirmed by the downzonings. In the other residential classifications, hybrid and upzoned areas far exceeded housing growth in both downzoned areas and the city as a whole. When factoring for the relative size of the zoning areas, the differences are even starker (figure 22).

Upzoned areas saw an increase of nearly 8,000 housing units per square mile, hybrid areas were associated with 2,700 units per square mile, while downzonings added just 404 housing units per square mile. The city added 950 new units for every square mile.

<table>
<thead>
<tr>
<th>Housing Units</th>
<th>Net Change in units ('02-'13)</th>
<th>Total Residential Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>One &amp; Two Family</td>
<td>Multi-Family Walk-Up</td>
<td>Multi-Family Elevator</td>
</tr>
<tr>
<td>Upzonings</td>
<td>400</td>
<td>772</td>
</tr>
<tr>
<td>Hybrid</td>
<td>-544</td>
<td>3,129</td>
</tr>
<tr>
<td>Downzonings</td>
<td>7,022</td>
<td>3,586</td>
</tr>
<tr>
<td>All NYC</td>
<td>30,870</td>
<td>25,714</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Change ('02-'13)</th>
<th>Total Residential Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>One &amp; Two Family</td>
<td>Multi-Family Walk-Up</td>
</tr>
<tr>
<td>Upzonings</td>
<td>5%</td>
</tr>
<tr>
<td>Hybrid</td>
<td>-1%</td>
</tr>
<tr>
<td>Downzonings</td>
<td>4%</td>
</tr>
<tr>
<td>All NYC</td>
<td>4%</td>
</tr>
</tbody>
</table>

Figure 23 Change in Housing Stock by Building Type; source: DCP PLUTO Dataset 2002 and 2013

The numbers in figure 23 reflect development from a longer time period than the interval from the time of most rezonings to 2013 and thus they include development that preceded rezonings. Nevertheless, they match up well with DCP’s narrative of their intentions. Namely, downzoned areas grew modestly and mostly through an increase in one and two


62
family homes. Hybrid rezonings produced impressive numbers of new units given the limited aggregate lot area they covered. Finally, upzoned neighborhoods experienced explosive growth adding over 33,000 units in large apartment buildings despite only constituting 30.9 miles of buildable land. The 82% of the city not rezoned between 2003 and 2010 only accounts for about 160,000 new housing units stretched across almost 200 square miles.

Figure 24 Source: DCP PLUTO Dataset 2013

Figure 24 presents a more chronologically precise picture of how rezonings impacted housing production. The x-axis represents the number of years between the construction of a new building and the year of the rezoning in whose area the building sits. In this way we can aggregate data for all rezonings by creating a relative measure of time.

\[ \text{Difference in years from year of rezoning} = \text{Year of construction} - \text{Year of Rezoning} \]

For example, the “-4” on the x-axis represents data for every rezoning between 2002 and 2013. For the 2010 North Tribeca rezoning it captures data from the year 2006 (2010-4=2006), while for the 2007 Upper West Side rezoning it captures data from 2003. Year zero represents construction that occurred in the same year as the implementation of rezonings for every rezoning.\(^\text{177}\)

\(^\text{177}\) The right tail of this graphic should be interpreted with some caution. Both the rezonings and construction tracked here go up to 2013 so for rezonings that occurred in 2013 there is no data for years 1 through 8. This analysis is still useful since most rezonings occurred before 2010 and all three rezoning types were about equally distributed across years (see figure 5).
As we would expect, construction in downzoning sharply drops off at year zero. Construction one year after downzonings produced less than half the units built in the same year as the rezoning. Upzonings have the opposite trajectory with housing construction booming for three years after rezonings. The run-up to rezonings is also telling. Significant construction of up to 3,000 units a year steadily increased in downzoned areas right up to year zero. In upzoned areas, construction before year zero is modest in comparison, a product of low-density and manufacturing zoning preceding the change to dense residential uses.

<table>
<thead>
<tr>
<th>Net change 2000-13</th>
<th>Rental Units</th>
<th>Owner-Occ Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upzonings</td>
<td>5,916</td>
<td>3,367</td>
</tr>
<tr>
<td>Hybrid</td>
<td>-3,932</td>
<td>9,402</td>
</tr>
<tr>
<td>Downzonings</td>
<td>-5,808</td>
<td>9,684</td>
</tr>
</tbody>
</table>

Figure 25 Change in Housing Units by Tenure; source: Census 2000 and ACS 2009-13

Parcel data does not state whether buildings are rental or a form of owner-occupancy like condominiums or cooperatives but the census does track housing tenure for occupied units (figure 25). Rezoned neighborhoods added 22,453 owner-occupied units while losing 3,824 rental units. Upzonings added both types but hybrid rezonings and downzonings each lost thousands of rental units. There are several possible reasons for the loss of occupied rental units but condominium conversions and teardowns seem to be the most likely causes.

Among rental units, inflation-adjusted rents shifted significantly with more units becoming more expensive and fewer affordable units available.\(^{178}\) This trend is evident for rental units within rezoned areas and across the city as a whole. Interestingly, this shift towards more expensive units occurred across rezoning types. Even in downzonings where market forces are generally less intense, the increase in expensive rentals outpaced that of the city (figure 26).

<table>
<thead>
<tr>
<th>% change in gross monthly rent</th>
<th>Less than $599</th>
<th>$600 to $1,249</th>
<th>$1,250 to $1,999</th>
<th>$2,000 or more</th>
<th>Figure 26 Change in Rent Distribution; source: Census 2000 and ACS 2009-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>upzoning</td>
<td>-32%</td>
<td>-22%</td>
<td>93%</td>
<td>455%</td>
<td></td>
</tr>
<tr>
<td>Hybrid</td>
<td>-40%</td>
<td>-39%</td>
<td>66%</td>
<td>243%</td>
<td></td>
</tr>
<tr>
<td>downzoning</td>
<td>-30%</td>
<td>-38%</td>
<td>53%</td>
<td>205%</td>
<td></td>
</tr>
<tr>
<td>All NYC</td>
<td>-36%</td>
<td>-25%</td>
<td>62%</td>
<td>91%</td>
<td></td>
</tr>
</tbody>
</table>

Department of finance sales data suggests that each class of rezonings had a unique effect on local housing markets. In figure 27, the boom and bust of the economy during the Bloomberg years gives sales data a wave shape. While the general housing market cycle dictated multi-family residential property values to a large extent, sales prices in hybrid rezonings suffered only modestly during the recession and greatly exceeded average prices in the city by 2014. Many upzoned areas were in a fragile early stage of development when the

\(^{178}\) Information on the distribution of rents suggests either that old rental units have become more expensive or that new units are entering the market charging high rents.
recession hit. This is represented by a steep drop in prices after 2007, but their recovery (which mirrors that of Greenpoint-Williamsburg discussed in chapter 3) is just as dramatic. Downzoned areas have recovered slower from the recession, still yielding average sales prices below the 2006 high.

Altogether, rezoned areas experienced significant growth in housing stock. Neighborhoods subject to hybrid rezonings and upzoning grew particularly fast, producing tens of thousands of primarily condominium and luxury rental units. Construction in downzoned areas was more modest and oriented towards the one and two family homes that contextual zones seek to encourage. In light of DCP documentation on specific rezonings and comments from Burden, Garvin and Chakrabarti about their densification strategy, rezonings seem to have achieved the goals of the city, creating new housing in one set of neighborhoods, while successfully protecting another set from further growth.

**Neighborhood Change**

In this section I explore the relationship between the rezoning program and changes to the socioeconomic character of neighborhoods. Appendix D outlines the methodology and rationale but I will briefly point out that measures of change reported here reflect the interval between the year 2000 and the year 2013 rather than precise intervals that begin with the year of a given rezoning. The rezonings under consideration in this section are the 84 rezonings that took place between 2003 and 2010 whereas other sections consider all 116 rezonings. A “difference in differences” method provides a comparison between variables over time. It does not suggest causation, but does give us an understanding of how differently rezoned neighborhoods diverged over time.

**Population and Racial Change in Rezoned Neighborhoods**

*Total Population Growth*
As one might expect, between 2000 and 2013, upzoned neighborhoods experienced much larger population change (17% increase) than other rezonings and the city overall (just a 3% increase). Bridge Plaza (454%), Morrisania (206%) and Downtown Brooklyn (162%) led the way. These areas featured extensive residential conversions and construction. However in net terms, some downzoned areas experienced more growth with the Rockaway Neighborhoods, College Point, and Dyker Heights/Ft. Hamilton rezonings featuring the highest net increases. This partly speaks to the large land areas covered by many downzonings and those three in particular. It also speaks to the neighborhood changes that spurred many downzonings: middle class homeowner communities experiencing influxes of lower-income and immigrant households. Population levels in hybrid rezonings were stagnant (0%) reflecting the dense, built-out nature of most neighborhoods in the category.

White Population
The white population of hybrid and upzoned areas increased substantially particularly in comparison to the citywide figure which shows a decrease in white population. Traditionally black neighborhoods experienced the largest influxes of white residents. Frederick Douglass Blvd added 4,279 white residents while Downtown Brooklyn, 125th St., East Harlem, Bed-Stuy and Fort Greene each added over 1,000 white inhabitants. White populations decreased in many downzoning areas. A number of these neighborhoods transitioned from working class white to black and Hispanic over the course of the study period. Areas like Canarsie (-67%) in southeastern Brooklyn and Westchester Square (-68%) in the northern Bronx lost the majority of their white residents.

Black Population
Black households increased in downzoned areas while decreasing by 4% in upzoned areas and 15% in hybrid rezonings. In general, black population trends were the inverse of white trends, with black populations leaving the rezoning areas in Harlem and central Brooklyn.

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When I use the phrase ‘neighborhood’ or ‘area’ or note a particular area name, I am referring to a rezoning with that name and the data only applies to the area within the rezoning boundaries.
while increasing in peripheral homeowner communities like Canarsie (10,456 person increase) and Rosedale (7,680 increase). The Flatbush and Fort Greene rezoning areas each lost over 8,000 black residents.

**Asian Population**
The relatively large increases in Asian population in all rezoned areas reflects the migration of many Asian families to south Brooklyn neighborhoods like Sunset Park (11,951 net increase), Bensonhurst (5,719 increase) and Dyker Heights/Ft. Hamilton (10,512 increase). The East Village/Lower East Side was third only to the Canarsie and Astoria rezonings in largest decrease of Asian population with -716.

**Hispanic Population**
As with Asians, Hispanic populations increased in downzoned outer borough neighborhoods such as Throgs Neck (+5,925), College Point (+4,153) and Bay Ridge (+3,699). More centrally located hybrid rezonings saw large decreases in Hispanics. The Greenpoint-Williamsburg Contextual Rezoning, Astoria, Sunset Park and East Harlem rezonings areas each lost over 3,000 Hispanic residents despite a 10% increase in the city’s Hispanic population.

**Income Change**
Median incomes and the number of high earners rose steeply in hybrid rezonings and upzonings (figures 29, 30). While inflation-adjusted\(^{180}\) incomes were stagnant across the city and dipped in downzonings, the average resident of a hybrid rezoning was making $9,000 more in 2013 than 2000 while residents of upzoned areas were making $10,000 more. In 2000, Downtown Brooklyn was home to 363 families with a median income of $49,780. In 2013, 1,337 households lived in the area and the median income was $91,547. This huge jump in median incomes is indicative of the growing desirability of the area as well as new high-end residential construction that facilitated the increase in high-wage earners.

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\(^{180}\) All figures are presented in 2013 dollars
While upzonings like Downtown Brooklyn underwent dramatic changes in the economic status of their residents, the scale of the shift in income levels in terms of the number of residents is much greater in hybrid rezonings. As figure 29 illustrates, hybrid areas underwent a dramatic change in income brackets with 13,284 fewer very low-income inhabitants by 2013 while adding 14,000 household making between $100,000 and $200,000.

The decrease in low-income households was most extreme in three hybrid rezonings: Astoria, Flatbush and Bed-Stuy with other gentrifying areas like the East Village / Lower East Side, and Park Slope not far behind. This data suggests that the income distribution has shifted but leaves open the question of whether the data is showing local low-income families moving up in socioeconomic status or reflecting wealthier newcomers to the neighborhood. Appendix E breaks down median income changes for all rezonings in the sample.

Looking at median incomes by race can help clarify this issue. I will describe the highlights rather than present the data for all races and zoning types.

- Every major racial group’s median income in downzonings decreased modestly. These areas saw little construction and lured in relatively few new high earners regardless of race.
- Hispanic incomes decreased across the board and particularly in upzonings and hybrid rezonings. The same is true for Hispanic incomes citywide (21% decrease) which suggests the influence of ongoing immigration from Latin America.
- Black median income change was about the same in downzonings (-4%) and hybrid rezonings (1%) as citywide (-2%). Household incomes in upzonings increased 11%.
- By far the most substantial median income increase was for whites even compared to their high citywide figure of 7% increase. White median incomes in hybrid rezonings (31%) and upzoned areas (43%) surged.

These figures make it fairly clear that in most cases, increases in neighborhood income were driven by newly arrived white households rather than upwardly mobile non-whites.
Rents
Inflation adjusted rent increases in hybrid rezonings (32%) and upzonings (43%) far exceeded those of downzonings (19%) and the city (23%). The median rent in the Downtown Brooklyn rezoning area increased $926 while the figure for the Greenpoint-Williamsburg upzoning is $654.

Rent increases should be considered in the context of rent stabilization, public housing and subsidy programs. Only 38.6% of New York City rental units are market rate. The rest are either rent stabilized, rent controlled or in public housing or another government-assisted housing program like project-based section 8 or Mitchell-Lama housing.\(^{181}\) There is then, at least theoretically, a pool of apartments invulnerable to sudden, large rent hikes. The growth in median rents in upzoned areas seems to be due to new high-end rental development. Rent increases on existing units also drive the median gross rent figures with the destabilization of regulated units a leading cause. Appendix E explores gross rent changes for all rezonings in the sample.

Rent Burdens
All told, rezoned neighborhoods experienced a net increase of over 18,000 severely rent burdened households - that is households with a rent to income ratio over 50%. Unlike other variables explored here, downzonings experienced the most stark change in terms of absolute numbers and median measures (figures 32 and 33). Median rent burden across the city has risen from 26.6% of household income to 32.3% since 2000 indicating the citywide nature of the affordable housing crisis. Thirty percent is considered by HUD to be the maximum healthy level for a family. However downzoned areas saw a leap of 7.4 percentage points in median rent burden, eclipsing the citywide number and indicating a particularly dire housing affordability situation.

The three most extreme increases in median rent burden took place in Staten Island's Westerleigh rezoning area – going from 15.5% in 2000 to 39.6% in 2013, a staggering 24.1 percentage points increase – Bayswater/Far Rockaway (17.9 percentage point increase), and Harding Park/Classon Point (16.2 percentage point increase). These peripheral, low-density neighborhoods get little attention from the media and are not associated with gentrification,

\(^{181}\) Stringer, “Growing Gap”.

yet their affordability has become as strained as anywhere in the city. A confluence of trends appear to be feeding this dynamic:

1. A decrease in rental units in most downzoned neighborhoods
2. Increased population
3. Stagnant or declining incomes
4. Increasing rents

As low-income black families from central Brooklyn, western Queens and upper Manhattan move to downzoned areas they bring their modest incomes with them. The same is true for immigrant families. Upon arriving in a neighborhood like Westerleigh, whose Hispanic population has exploded since 2000, families must compete for scarce rental apartments, bidding up rents and straining household resources. The charts in appendix E indicate how changes to rents, incomes and rent burdens in downzonings have combined to create challenging neighborhood conditions.

Before the Rezonings

The Furman Center’s 2010 policy paper, “How Have Recent Rezonings Affected the City’s Ability to Grow?” documented the types of neighborhoods that had been selected for rezonings by studying the demographics of rezoned area on a lot by lot basis. They found that upzoned lots were generally located in areas with higher proportions of black and Hispanic residents than contextually zoned or downzoned lots in which non-Hispanic whites predominated. The share of Asian inhabitants was relatively constant across types of rezoning. The same differential existed in incomes and homeownership rates with upzoned areas having lower median incomes and lower homeownership-rates than downzoned areas.
Using a larger universe of rezonings for analysis (the Furman Study only captured rezonings up to 2007) and census data that more accurately reflects demographics at the time of the rezoning, I am able to build on the Furman Center’s analysis to understand neighborhood character at the time of rezoning. While the Furman study examined the demographics associated with individual lots within a rezoning area, I focus on the demographics of the whole rezoning (see appendix C). I also define upzonings somewhat differently so our findings are not precisely comparable. Nevertheless, this analysis confirms that upzonings occurred in areas with higher proportions of black and Hispanic inhabitants and significantly lower proportions of whites than citywide or in other types of rezoning.

In 2000, downzoned neighborhoods were 44% white compared to 35% for the whole city. Downzonings had somewhat lower Asian and black populations and much lower proportion of Hispanics than other parts of the city. Finally, the demographics of hybrid rezoning areas mirrored those of the city.

The Furman Center study also documented market conditions in rezoned areas prior to rezonings in order to determine whether the city was responding to market forces or looking to guide them. They found that population growth, price appreciation and construction in rezoned areas prior to rezonings were comparable to their respective citywide levels. They concluded that, “upzonings took place in areas with average levels of development.”

I ask similar questions with the goal of determining the trajectory of rezoned neighborhoods prior to the zoning map change. Were housing markets in these areas already heating up? Were displacement and gentrification already taking place?

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182 We now have access to ACS 5-year data which offers block group level information for years between decennial censes.
For the most part, this analysis suggests that neighborhoods rezoned under Bloomberg had demographic and market trajectories similar to those of the city during the 1990s. Population growth (figure 35) and gross rents (figure 36) in the rezoning areas closely imitate those of the city. The same is true of racial composition with the exception of non-white population change in downzoned areas. Non-white populations were increasing in downzoned areas faster than their increases citywide. It should be noted that, in stark contrast to their trajectory in the Bloomberg years, during the 1990s the white population decreased in what would later become hybrid and upzoned areas.

Exploring available data on rezoned neighborhoods at the time of their rezonings and back into the 1990s helps to clarify two important aspects of the larger rezoning program. First, it demonstrates that upzonings and downzonings were targeted to neighborhoods with different racial compositions. In itself, this is not a surprising finding given that they embody different planning rationales and political impetuses. Furthermore there are historical reasons non-white communities are clustered in areas suitable for upzoning, particularly the legacies of red lining, blockbusting, and the “unrestricted districts” of the 1916 zoning ordinance whose mixed uses provided cheap housing and proximity to manual labor for southern blacks and immigrant populations. Nevertheless, given the capacity for zoning changes to catalyze housing markets, this discrepancy has implications regarding affordability and displacement that will be explored in chapter 5. Second, this analysis shows that neighborhoods targeted for rezonings were not on particularly different growth trajectories from the city average. Indeed neighborhoods rezoned in the 2000s had similar preexisting demographic trends to each other and to non-rezoned areas.\(^{183}\) This indicates that upzoned neighborhoods were not necessarily already gentrifying in the 1990s and highlights the importance of the Bloomberg-era rezonings in encouraging housing markets.

\(^{183}\) There were certainly some neighborhoods that were already gentrifying prior to their rezoning. For example that was the case for the Harlem rezonings. However, the data indicates that gentrification prior to rezoning was not the rule.
5. The Socio-Politics of Densification and Zoning Change

“The essential problem of political economy is that neighbors tend to rally to preserve the neighborhood status quo even when that status quo is pernicious for the city as a whole. Thus, neighbors are "shrink-wrapping" New York City by slowly drawing the zoning "envelope" to be co-extensive with existing uses.”

— Roderick Hills Jr.

Two ongoing debates provide useful frames to analyze the legacy of the rezoning program. I will briefly describe the opposing positions in each debate and then investigate how the findings of this study support, refute or complicate them. Neither debate is specific to New York City but both have found the city to be a fertile battlefield given its churning real estate market and equally heated housing politics. The first, which I will call Growth: Affordability vs. Displacement, concerns zoning’s relationship to housing growth and affordability. It has played out in the realm of economics journals and court decisions but also in the media and on the streets where community people and advocates have made themselves part of the conversation. The second debate is more scholarly and removed from daily policymaking. It concerns the sociopolitical background of zoning changes. If the first debate is focused on effects, the second is about causes. I am calling it Homevoters and The Growth Machine.

Debate 1: Growth: Affordability vs. Displacement

At the core of this debate are two propositions: The city will enhance affordability by facilitating more density and the city will fuel the displacement of renters, low-income households and other disadvantaged populations by facilitating more density. Support for the first statement can be traced back to arguments over suburban exclusionary zoning in the 1970s. Influential works by Bernard Siegan and Robert Ellickson proposed that by limiting residential density, zoning codes were artificially limiting housing supply and inflating housing costs in suburbs. Thus zoning restrictions were excluding low-income people while preserving home values for current inhabitants. Since 2000 a new wave of scholars have brought this line of thinking to the study of large cities. Economist Edward Glaeser turned his attention to New York City in particular. In a series of papers and his book Triumph of the City, Glaeser found that between 1970 and 2000, restrictive zoning caused the city to build fewer new units than in previous decades, leading to a steep increase in housing costs. He points to a “web of regulation” made up of historic preservation, building codes and most of all zoning, which are “making New York shorter” and thus less affordable. The crucial piece of this argument is that the cost of housing far exceeds the combined cost of construction and land in restrictively

186 Glaeser, Triumph of the City 150
187 Glaeser, Triumph of the City 151
zoned cities, indicating that supply restrictions are inflating prices rather the demand for housing.\footnote{Schleicher, David. “City Unplanning.” \textit{Yale Law Journal}, Vol. 122, No. 7, May 2013. 23.}

Density advocates argue that the effect of restrictive zoning on housing costs generates a number of urban problems. Paul Krugman has demonstrated that our advances in understanding the importance of agglomeration economies – which require density – suggests that restrictive zoning depresses economic growth.\footnote{Schleicher, “City Unplanning” 18-19} Glaeser and others have also drawn connections between density and environmental sustainability, pointing to the low resource consumption per capita in dense cities due to public transportation accessibility and small housing units. When zoning increases housing costs it also pushes potential residents to live in economically inefficient, environmentally destructive places like Houston and Phoenix.\footnote{Glaeser, \textit{Triumph of the City}}

During the Bloomberg years and continuing into the De Blasio era, advocacy for more density has come from diverse stakeholders. For one, real estate interests have enthusiastically supported the push for densification. StreetEasy’s research arm has blamed “supply shortages” for the city’s increasing rent burdens while celebrating the upzoning of Williamsburg and Hudson Yards. Their study joins those of some economists in criticizing inclusionary zoning and other mechanisms for spurring below-market production because they dampen overall supply.\footnote{Lightfeldt, Alan. “Bright Lights, Big Rent Burden: Understanding New York City’s Rent Affordability Problem”. StreetEasy Research. March 1, 2015.} REBNY has vigorously lobbied the city council to ease restrictions on growth and address the sources of soaring construction costs.\footnote{Spinola, Steven. “Preserving the past must be balanced with building for future”. REBNY Blog. July 16, 2014}

As noted earlier, officials in the Bloomberg administration also frequently voiced support for the density thesis. Vishaan Chakrabarti, Daniel Doctoroff, Alex Garvin and Amanda Burden, the administration’s authoritative voices on development policy, all promoted growth as central to the Bloomberg affordable housing agenda. Chakrabarti channels the utopian strain of thinking about densification in his 2013 Columbia University report:

> Hyper density can be environmentally sustainable due to production and operating efficiencies and economies of scale. Hyper density can be more socially sustainable because diversity in household composition, household income, housing unit size and housing tenure reinforces the requisite diverse population reflected in mature urban settlements.\footnote{Chakrabarti, Vishaan, and Jesse Keenan. \textit{NYC 2040: Housing the Next One Million New Yorkers}. GSAPP Columbia University, 2013. 126.}

This rhetoric was matched by important policy documents like PlaNYC, the Garvin Plan and DCP’s documentation for individual rezonings. The original PlaNYC was above all a
growth strategy for the city. It framed sustainability as a desirable attribute of density more than a goal of its own. Ultimately, this ethos was translated into action in the form of the rezoning program itself as documented in chapter 3.

Voices without an institutional interest in growth have also supported densification. A recent study from NYU’s Furman Center documented challenges to the city’s new mandatory inclusionary zoning program and suggested that “additional density may be the only way to increase the supply of housing and lower rents across the board.” Many affordable housing advocates have also supported the density proposition, usually with an emphasis on inclusionary components.

Density advocates argue that new construction impacts affordability at the scale of the city but also at the neighborhood level through the filtering mechanism. While new housing may only cater to a high-income population, through filtering it can still moderate or even decrease rents for people across the income spectrum. Filtering occurs when a high-income consumer vacates or passes up older, cheaper housing stock for a newly constructed, more expensive unit. Lower income renters are left with less competition for the older housing and thus face lower rents. In the post-WWII era, this phenomenon was associated with white flight and disinvestment in the urban core. In today’s highly competitive urban markets, filtering is conceived as a trickle-down process in which new development promotes neighborhood affordability. Economists have found that filtering provides a “viable long run market-based source of lower-income housing” though findings are less strong in hot housing markets. Filtering is often conceived of at the city or metro level, but in the dense New York contest it is projected to act within housing markets at the neighborhood level as well. Glaeser argues that “price increases in gentrifying older areas will be muted because of new construction.” With his eye on gentrification in Bushwick, Brooklyn, Stephen Smith goes further than Glaeser, arguing that insufficient housing supply is causing gentrification in Brooklyn, “because the amount of housing in [Williamsburg] is effectively capped through zoning, demand has spilled out of the neighborhood much faster than it would have if Williamsburg had been allowed to grow.” As Smith suggests, those who favor filtering disdain zoning constraints that prevent new construction.

194 Madar, Josiah and Mark Willis. “Creating Affordable Housing Out of Thin Air”.
197 Glaeser, Triumph of the City 148
Densification means displacement

Density skeptics tend to root their analysis in the observed experience of upzoned neighborhoods. Many, like Bronx organizer Fitzroy Christian have concluded, “history has taught us that rezoning is almost always a precursor to gentrification.” In New York, the debate takes on specific, local dimensions because of unique attributes of the development environment: the prevalence of rent stabilization among rental units, the extremely high cost of land in the city, the political influence of the real estate lobby at the city and state level, and integration with the global real estate market. Density skeptics are concerned that rather than increasing affordability, an upzoning approach to affordability actually hastens residential displacement in and around upzoned areas by boosting land values which increases rents and associated phenomenon such as condo conversions and deregulation.

Fitzroy Christian explained his skepticism of a de Blasio administration effort to rezone the Jerome Avenue Corridor as the result of Bloomberg-era planning practices:

We saw where people were promised that there was not going to be displacement, that there was not going to be discrimination against or any harassments against the present tenants and that most of them were going to be able to remain where they are. We saw that that wasn't true.

Christian was referencing the “cascade of secondary displacement effects on the local housing market” that has followed market rate construction in many city neighborhoods. Secondary displacement often occurs through the legal or illegal deregulation of rent stabilized units in order to raise rents. Illegal tactics include tenant harassment, building neglect, and overcharges. Buy-outs, condominium conversions and rent hikes tied to renovations are the most common legal mechanisms to remove low-income tenants. Mayor de Blasio acknowledged the degree to which harassment and neglect has coincided with rezonings in his 2015 State of the City speech, promising $36 million to fund legal support for tenants in rezoned neighborhoods.

While renters are most susceptible to the rapid change in housing markets that upzonings bring, homeowners have also experienced intense pressures to leave their home. On the one hand there are rising tax burdens that tend to accompany upzonings. On the other, there is intense speculative activity compelling financially distressed homeowners to sell. A January 2015 article in New York Magazine followed real-estate brokers as they canvassed homes facing foreclosure in a soon-to-be rezoned Brooklyn neighborhood. The brokers, with their investor colleagues, were able to rehab and flip homes for several times their purchase value.

within months. The families, unaware that they had sold their home below its fully realized value, become renters or moved to more peripheral areas.\textsuperscript{203}

The East New York neighborhood of Brooklyn is the destination of many low-income and working class households priced out of gentrifying neighborhoods to the immediate west: Fort Greene, Bed-Stuy and Crown Heights, all subjects of hybrid rezonings under the Bloomberg administration.\textsuperscript{204} Their arrival over the past ten years has strained the low-income neighborhood’s housing supply. In 2014, East New York sent the most (by far) families into the homeless shelter system of any neighborhood and had the 10\textsuperscript{th} highest overcrowding rate.\textsuperscript{205} Documenting the recent rush of real estate activity in the neighborhood, Andrew Rice described the process in \textit{New York Magazine}: “As the rich push the middle class out of brownstone Brooklyn, the middle class has been left with an unenviable choice: leave or compete with the truly poor.”\textsuperscript{206} Now, the city is rolling out an upzoning that has fuelled intensive speculation and community resistance as residents fear that an influx of white-collar households will inflate rents beyond reach.\textsuperscript{207} The consequences of land use policy changes and an eager market reverberate across the width of the borough as gentrification-driven displacement in central Brooklyn fuels the displacement of lower-income households in eastern Brooklyn and a new rezoning threatens to displace the displacers.

Density skeptics argue that the domino effect playing out in Brooklyn is not purely rooted in a supply shortage, but rather stems from the nature of speculative land markets. While filtering is generally theorized to support affordability across class groups, evidence from tight housing markets suggests that for supply to keep pace with demand – without which filtering cannot occur – a politically and technically unrealistic amount of housing would have to be built. Studies from Los Angeles,\textsuperscript{208} Washington DC,\textsuperscript{209} and San Francisco\textsuperscript{210} have found that the amount of density necessary to meet demand in those regions is far beyond the scope that policymakers can conceive of pursuing. For these cities, like New York, demand in desirable locations is just too high to keep pace with without causing extreme environmental and social disruptions.\textsuperscript{211} While the number of housing units added in New

\begin{thebibliography}{99}
\bibitem{rice2015} Rice, Andrew. "The Red-Hot Rubble of East New York"
\bibitem{ibid} Ibid.
\bibitem{rice2015a} Rice, Andrew. "The Red-Hot Rubble of East New York"
\bibitem{yee2015} Yee, Vivian, and Mireya Navarro. "Some See Risk in De Blasio's Bid to Add Housing."
\bibitem{cort2015} Cort, Cheryl. “Why the right is wrong about affordable housing.” Greater Greater Washington, Blog post. March 6, 2015
\bibitem{welch2013} Welch, Calvin. “SF Controller Shows ‘Supply & Demand’ Does Not Work in the San Francisco Housing Market.” San Francisco Information Clearinghouse, October 2013.
\bibitem{cort2015a} Cort, “Why the right is wrong about affordable housing.”
\end{thebibliography}
York City has roughly kept pace with population gain since 2000, the city’s vacancy rate has barely budged, remaining below the “emergency level” of 5%.

A number of distortions in the New York City housing market prevent new supply from reducing housing costs.

**Stash Pads**

The first is an issue that has become a pressing influence on the city’s real estate market. A relatively dependable market and laws that allow for the concealment of ownership have long made New York’s luxury condominiums the premiere destination of foreign wealth in the world.\(^{212}\) Foreign investment in New York City real estate has increased since the global recession, particularly with the instability in the Middle East and Russia and the emergence of a new billionaire class in China. Now 30% of apartments in midtown Manhattan are uninhabited for at least ten months of the year and, as Andrew Rice reported in 2014, “New Yorkers with garden-variety affluence — the kind of buyers who require mortgages — are facing disheartening price wars as they compete for scarce inventory with investors who may seldom even turn on a light switch.”\(^{213}\) Standard housing economics suggests that those “garden-variety” New Yorkers will turn to the next most desirable set of neighborhoods, perhaps lower Manhattan and the Upper East and West sides, bidding up prices there.

**Conversions and Renovations**

If foreign-owned “stash pads” disrupt filtering by artificially reducing supply at the high end of the market, another set of real estate practices prevents lower-income households from securing the low end. In heating neighborhoods the conversion of rental units into owner-occupancy or the renovation of rental units to accommodate high-income movers is widespread. Conversions in New York City recast rental housing as either condominiums or co-ops. During the Bloomberg years 26,658 rental units were converted citywide\(^{214}\) including 16,101 units which had been rent stabilized.\(^{215}\) Once the units are converted they are permanently removed from the rent stabilization framework. A lack of fine grain data on conversions makes ascribing them to rezonings impossible but tracking changes to housing tenure can at least shed some light on the extent of conversions. Rezoned neighborhoods had a net gain of 22,453 owner-occupied units between 2000 and 2013 while losing 3,824 rental units.

Unlike conversions, renovations sustain rental housing, but like conversions they shift housing stock to a higher market segment. As neighborhood housing markets heat up,

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owners look to capitalize on new demand by increasing rents. In non-stabilized buildings, renovations allow brokers to market units at a higher price point. Renovations are even more important to owners of rent-stabilized buildings since building-wide investments, known as Major Capital Improvements (MCIs) and Individual Apartment Improvements (IAIs) allow owners to raise rents above the mandated maximum. With large or multiple improvements owners can move their buildings towards the rent threshold at which buildings leave stabilization. “Investors come in, they close quickly and renovate,” a developer eyeing the Bronx market told the New York Daily News, “It’s almost like a factory assembly line. It’s very efficient.”

While condominiums might be the focus of housing demand at the highest end of the market, renovation is lucrative because middle and upper income renters seek out Brownstones and other pre-war rowhouse buildings for their “charm” and “idiosyncratic layouts”. By increasing rents and contributing to destabilization, renovations join conversions in taking old housing stock that could have “filtered” down to low-income households and instead assigning it to a higher market segment.

The Price of Land

In addition to foreign investor-owned units, condo conversions and rental renovation, increasing land values pose a threat to the efficacy of the densification approach. A 2008 study by the New York Federal Reserve used vacant lot sales to assess land prices in the New York metro area. The study found a more than five-fold increase in residential zoned land values from 1999 to 2006. Residential property sale values only increased 130% during the same period. The authors conclude that interest rates and the rising option value of vacant land explain some of the land price increase but economic strength and an increasing location premium are the main drivers. During the heart of the recession land prices fell but since 2011 they have shot back up, again outpacing property sale increases. From 2011 to 2014 land prices rose 79% compared to a 49% increase in new residential sale prices.

A modest vacant lot in Bushwick, Brooklyn illustrates the rapid ascent of land prices. The lot at 311 Melrose Street sold for $350,000 in 2008, $530,000 in 2013 and then $530,000 in January 2014. During the Bloomberg years, land prices rose in Manhattan below 96th street to the point that the only feasible developments were extremely high-end condos. Even luxury rental buildings stopped yielding sufficient returns.

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219 Hughes, C.J. “The Dirt on NYC’s Soaring Land Values,” The Real Deal, April 1, 2015.
High land values stymie development at what some call the “point of no returns” – the point at which land costs are so high that the most profitable use for the property cannot produce adequate returns.\textsuperscript{221} Even when returns are possible, expensive land necessitates land uses with high returns creating a feedback loop in which residential development fuels land appreciation which in turn leads to higher end development (usually condominiums).\textsuperscript{222} The process is amplified by layers of speculative investment that precede development in gentrifying housing markets as is evident in the repeated sales and price increases of 311 Melrose in Bushwick.\textsuperscript{223} Speculative investment outside of Manhattan has taken a severe toll in neighborhoods where actual construction has yet to pick up pace. Investors from across the country and increasingly across the world have positioned themselves to flip properties with no intention or realizing rental revenues. Another group of investors, predatory equity, found that by first destabilizing rent regulated buildings before flipping they could make immense profits. When the recession hit, many of these investors let their buildings deteriorate and go into foreclosure, but the speculative cycle continued with the entrance of “vulture funds” which were established to purchase failed multi-family predatory equity gambles.\textsuperscript{224} While wealth from around the world has found its way into Manhattan real estate for decades, global capital increasingly spread into the outer boroughs during the Bloomberg years. In combination with the economic strength of the city, investments in residential real estate fuelled the sharp increase in land values that in turn has made it all but impossible to build affordable housing without subsidy in New York.\textsuperscript{225}

**Construction Costs**

New York City’s high construction costs – the highest in the country – constrain who is able to develop, how much housing they can build and the price point of new units. Labor, materials, the length of the permitting process, an outdated building code, and parking requirements all contribute to costs that are ultimately passed on to consumers in rent. Construction costs range from $300 to $600 per sq ft depending on building type.\textsuperscript{226} For many types of projects, costs are double what they would be for an equivalent structure in Chicago.\textsuperscript{227} Without a subsidy, developers generally turn to condominium construction since it yields returns high enough to cover costs where rental projects do not. A recent study found that developers must charge $3,200 a month for a one bedroom apartment in a mid-rise building for their revenue to justify construction. That rent would only be affordable to

\textsuperscript{221} Hughes, C.J. “The Dirt on NYC’s Soaring Land Values,”
\textsuperscript{223} Angotti, New York for Sale. 40
\textsuperscript{224} “Predatory Equity: Evolution of a Crisis,” Association for Neighborhood and Housing Development, Inc. Nov. 2009.
\textsuperscript{225} Marcus interview.
\textsuperscript{226} Chakrabarti, Vishaan, and Jesse Keenan. “NYC 2040: Housing the Next One Million New Yorkers,” 20
two-person households making over 190% of AMI. The Furman Center has found that construction costs are the primary cause of the city’s limited new housing construction.

_Shifting Attitudes Towards Density_

Towards the end of the Bloomberg mayoralty, the administration began to rethink its approach to development and affordability. After twelve years, ambitious projections about the ability of increased supply to dampen rent burdens had not played out. Shortly before leaving office in 2013, Amanda Burden admitted that her department’s approach to affordability had not met with the results she anticipated. Speaking in a panel on urban growth, Burden told the audience,

> What we haven’t figured out is the question of gentrification. I have never, since I had this job, come up with a satisfactory answer of how to make sure everyone benefits…I had believed that if we kept building in that manner and increasing our housing supply … that prices would go down. We had every year almost 30,000 permits for housing, and we built a tremendous amount of housing, including affordable housing, either through incentives or through government funds. And the price of housing didn’t go down at all. That’s a practitioner’s point of view.

Burden’s evolution is also reflected in the changing housing priorities of Bloomberg’s PlaNYC. The original PlaNYC, released in 2007, began with a section on land and housing. It presents statistics on the city’s demographic and housing challenges and identifies “the diminishing cushion between zoned capacity…and built units” as the central source of pressure on the housing market. Having framed the housing problem as a supply problem, the document goes on to promote “our plan”, a series of measures to increase the supply of housing in the market by repurposing city-owned land and increasing capacity for residential uses via rezonings. Through these measures, the city would increase its housing stock by 300,000 to 500,000 units and “drive down the price of land.”

Preserving the existing affordable housing stock and financing new affordable units are included at the end of the list of proposed initiatives, but the main thrust of the document is support for new market rate development: “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.”

By the 2011 update, PlaNYC had lost its confidence in supply side solutions to the housing affordability crunch (figure 37). “We must set our goals beyond just increasing the number

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228 Madar, Josiah and Mark Willis, “Creating Affordable Housing Out of Thin Air: The Economics of Mandatory Inclusionary Zoning in New York City” Furman Center policy Brief, March 2015.
231 “PlaNYC 2007,” City of New York. 2007, 12
232 “PlaNYC 2007”, 28
of housing units,” opens the “Housing and Neighborhoods” section, “Simply creating the potential for the private sector to increase the supply of housing in the city is not enough. Without action from the City, many New Yorkers will continue to have fewer affordable housing options.” In addition to recognizing the limitations of market-rate housing growth, the updated PlaNYC enhances the priority of preserving and financing affordable units moving them up to initiative number 3 out of 11 rather than number 9 of 12 in the 2007 version. Several neighborhoods that had been designated as “areas of opportunity” – areas that “promote our principles of sustainability, transit-oriented development, and walkability” – in 2007, disappear from the 2011 plan’s graphics. In addition to corridors in the northwest Bronx and central Queens, large regions of western and southern Staten Island lost their “opportunity” designation.

<table>
<thead>
<tr>
<th>PlaNYC 2007</th>
<th>PlaNYC 2011</th>
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<tr>
<td>“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.”</td>
<td>“Making housing more accessible and affordable to New Yorkers requires more than increasing the overall housing supply.”</td>
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<td>“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.”</td>
<td>“New market-rate housing generally serves higher income levels. While new inventory generally relieves pressures on costs in the long run, housing currently is too expensive for many New Yorkers.”</td>
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<tr>
<td>“By 2030, we expect 900,000 more people to arrive. If supply is not created as fast as people arrive, affordability could suffer further.”</td>
<td>“Simply creating the potential for the private sector to increase the supply of housing in the city is not enough. Without action from the City, many New Yorkers will continue to have fewer affordable housing options.”</td>
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Figure 37

In part, these changes reflect changed circumstances in the city’s economy. By 2011, the real estate market had been depressed for three years and many of the city’s redevelopment plans had stalled. At that point planners had also had the opportunity to assess the efficacy of the administration’s affordable housing strategy in its first two terms.

Weighing in on the Debate

Partisans in this debate argue over the impact of supply-side solutions to the housing affordability crisis in New York City. Since rezoning was the Bloomberg administration’s primary vehicle for creating housing growth, we can explore the impacts of growth through the frame of the rezoning program. While the data analysis in chapter 4 does not try to assess statistically significant causation we can see to what degree it conforms to the expected outcomes of one or both sides in the growth debate.

As we saw in chapter 4, areas targeted for upzonings and hybrid rezoning experienced large expansions of their housing stock primarily through the construction of multi-family

\(^{233}\) “PlaNYC 2007”, 24
apartment buildings and mixed use buildings with commercial space on the first floor. Upzonings in particular spurred immediate upticks in residential construction. Most new units in rezoned areas were either condominiums or high-rent apartments.

In chapter 4 we also found that population growth within rezonings varied widely, with upzonings increasing in population by 17% compared to more modest growth in hybrid and downzonings and at the citywide level. Racial change also varied by rezoning with black and Hispanic populations decreasing in upzonings and increasing in downzonings while the inverse was true of white households. Data on incomes suggests a massive influx of high earners to hybrid rezoning areas while downzonings showed mixed results. The growth of median rents far exceeded that of the city for both upzonings and hybrid rezonings, but rent burdens grew the most in downzoned areas.

<table>
<thead>
<tr>
<th></th>
<th>Population Change 2000-13</th>
<th>Net Change in Housing Units 2002-13</th>
<th>Figure 38 Supply and Demand Changes Compared; source: Census 2000, ACS 2009-13, DCP PLUTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>upzoning</td>
<td>19,572</td>
<td>33,288</td>
<td></td>
</tr>
<tr>
<td>hybrid</td>
<td>-2,908</td>
<td>24,736</td>
<td></td>
</tr>
<tr>
<td>downzoning</td>
<td>53,386</td>
<td>12,509</td>
<td></td>
</tr>
<tr>
<td>NYC</td>
<td>260,721</td>
<td>228,709</td>
<td></td>
</tr>
</tbody>
</table>

Matching the housing supply data and demographic change data from chapter 4, we see that overall growth in the city’s housing stock roughly kept pace with population change especially when factoring in the two extra years of population change data in the comparison (figure 38). Built units in upzoned and hybrid rezoned areas outpaced population growth by large margins. In downzonings the opposite was true with a net increase of 53,000 people being matched by only 12,500 additional housing units (the city has an average household size of 2.63).  

Two primary conclusions can be drawn from the data with regard to the densification debate.

Evidence from upzonings and hybrid rezonings suggests that increased supply did not moderate rents at the local level. Even though housing supply outpaced population change, rents increased far faster than citywide. This corresponds to the arguments of density skeptics. Increased density appears to correspond to higher rents, higher median incomes, and more white and Asian inhabitants. From chapter 4 we also know that the new housing stock in hybrid and upzoned neighborhoods is heavily homeownership and the new rental units are more expansive than the existing housing stock.

Downzonings point to another phenomenon. In downzoned areas construction was relatively stagnant, ostensibly because the traditional lower density character of these areas

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was reinforced by new contextual zoning districts. The housing growth that did occur was primarily owner-occupied – new units in one and two family homes made up the majority – while the number of rental units actually decreased. Nevertheless the population of these areas grew by over 53,000, coming largely from the addition of racial minorities, immigrants, and low-income households. Downzoned neighborhoods have added nearly 8,400 severely rent burdened (over 50% rent burden) and 5,500 moderately rent burdened (30-49%) households since 2000. Median rent burdens in downzoned areas increased faster than other rezonings or the city, the product of a 19% increase in median rents paired with a 3% decrease in median household incomes.

The trajectory of downzoned neighborhoods matches the narrative of density advocates. The evidence points to a supply-side problem: restrictive land use regulations, a stark mismatch between supply and demand, rising rents, falling incomes and illegal conversions.

A 2004 report by PolicyLink and Brooklyn’s Pratt Center astutely foresaw the problematic nature of the then-proposed downzonings:

Blanket downzonings pose a serious risk for New York City. Demand is high for the new housing being created in these areas because it offers relatively good value within New York’s housing market. Indeed, these units are some of the few being created without subsidy that are affordable to middle-income families. The proposed downzonings—which will affect hundreds of thousands of lots—will substantially reduce construction in many neighborhoods, and could cost the city tens of thousands of units. By reducing new construction, these actions also increase the likelihood of overcrowding, a significant issue in many of the targeted communities, especially in Queens. Moreover, the downzonings prevent the creation of moderately priced housing in areas that tend to be white and middle class. As a result, they may amplify segregation within the city.235

The quantitative evidence explored in this thesis supports the hypothesis that the downzonings decrease construction while increasing overcrowding. Crucially, the report’s authors note that downzonings decrease construction in the only parts of the city where market rents are reasonably affordable. Interestingly, the projection that downzonings “may amplify segregation” seems to have not come to pass: minority and immigrant households have moved to downzoned areas despite the lack of new construction. Illegal basement conversions and overcrowding have facilitated diversity in parts of Staten Island and southern Brooklyn that were solidly white up through the 1990’s. So downzonings did not increase segregation only because the demand for housing from low-income renters has been so strong. The strength of this demand is directly related to displacement stemming from hybrid rezonings and upzonings in once predominantly black and Hispanic renter

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235 “Increasing Housing Opportunity in New York City”, PolicyLink and Pratt Institute Center for Community and Environmental Development, Fall 2004. 19.
communities like Bedford-Stuyvesant, Harlem and Williamsburg (see earlier discussion of East New York).

Interrelated Effects
Population mobility data is scarce but evidence from media coverage of gentrification and the racial change data presented earlier point to important interrelations between demographic trends in downzoned and upzoned neighborhoods. First among them, is the loss of black population from hybrid and upzoned neighborhoods and increase in black population in downzoned areas. The eastward flow of black households in Brooklyn described earlier is indicative of the trend in which families leave gentrifying neighborhoods for peripheral parts of the city where rents are lower. As a woman told the New York Daily News in 2012, “The only reason people are moving out of Crown Heights is that the rent is too high. The high rents are pushing us to East New York and Brownsville. I can’t even afford Bed Stuy. They’re going to cram all the black people out here.” While immigration has boosted Hispanic and Asian populations in many New York neighborhoods there are similar dynamics to the black population. The East Village/Lower East Side and Greenpoint-Williamsburg rezoning areas are examples of heating core neighborhoods that priced out their Asian and Hispanic residents. Meanwhile those populations have boomed in south Brooklyn and eastern Queens.

If affordability issues in up- and downzoned areas stem from two interconnected but different phenomenon, it is worth exploring how the socio-political context of these neighborhoods informed their rezonings.

Debate 2: Homevoters and The Growth Machine
Here I explore an argument in the literature between those who have understood New York’s land use policy as beholden to development interests and those who see politically effective homeowners as being the driving force behind zoning changes. I am calling it, Homevoters and The Growth Machine. In earlier chapters I documented factors that shaped the Bloomberg-era rezoning strategy including the Bloomberg administration’s emphasis on economic competitiveness and transit oriented development, the political potency of real estate interests and the ability of communities to leverage political resources. How these elements come into tension and ultimately competition with each other and which ones predominate is the subject of the debate I will consider here. It is not a public debate to the degree that Growth: Affordability vs. Displacement is; its two sides are not regularly pitted against each other by the media or government officials. Rather, it implicitly informs arguments over growth and affordability and it is addressed more directly in academic literature. Before

diving into the debate, which considers political and economic motivations, we must first consider DCP’s stated method of evaluating rezonings.
Evaluating Infrastructure Imperatives

While political considerations and economic goals certainly play a role in determining the distribution of rezonings, infrastructure capacity has always been the primary language DCP uses in describing the rezoning program. Chapter 3 described how planners determined that downzoned areas lacked infrastructure for growth while areas given hybrid and upzonings were deemed capable of supporting new population. This rationale builds on TOD principles codified in PlaNew York City: “By increasing allowable densities at appropriate locations in areas of the city near transit, and decreasing them in more auto-dependent areas, we can direct growth to more transit-oriented parts of the city.”

In a 2015 proposal to relax density and parking restrictions for affordable housing in transit-rich areas, the De Blasio administration produced the map in figure 39 to illustrate areas of the city with adequate transportation infrastructure to handle relaxed parking requirements. The map mirrors that produced in the 2011 PlaNYC update to indicate where increased density is viable. Areas within half a mile of a subway stop are deemed eligible for growth though certain transit-rich neighborhoods, Bay Ridge in southwest Brooklyn in particular, are excluded without explanation. The black regions are parts of the city well served by transit but that would not be included in the proposed zoning text amendment because they already have reduced parking requirements.

By overlaying Bloomberg-era rezoning on this map (figure 40) we can get a sense of the degree to which the rezoning program’s stated goals of matching development to infrastructure were realized. This is a rough measure since it does not account for transit overcrowding or differences in capacity between different subway lines, but since the city is using it to determine capacity for transit-oriented growth we can do the same.

A quick look at the overlaid maps reveals that all hybrid rezonings and upzoning lie within the transit corridors. This suggests that increased density was channeled to transit-rich areas as the city intended. Many of the downzoning fall outside of the transit areas, which also conforms to the city’s stated intentions. However 13 downzonings lie completely within transit-rich neighborhoods, including expansive rezonings like Bensonhurst and Midwood in south Brooklyn. Another ten downzonings have at least half of their land area within a transit zone including the massive 2013 Ozone Park rezoning in southern queens. The Bay

Ridge and Dyker Heights rezonings occurred in transit-rich areas that were not designated as such on this map as was much of the Staten Island LDGMA surrounding Staten Island Railway stations. This lends support to the assertion by McDonnell, Madar and Been that 60% of all downzoned lots were also well served by the subway.\textsuperscript{240}

Transit access is not the only infrastructure constraint on growth. Sewage systems, road, school and parking capacity and storm resilience all factor into zoning decisions. However, transportation access is most frequently cited by DCP as the measure of growth potential and the cursory analysis above suggests what many observers have posited: at least some suburban communities within the city appeal to infrastructure constraints while acting on other motivations. Namely, to exclude new development so as to preserve communities and protect property values.

Distinguishing legitimate concerns about overburdened infrastructure from exclusive NIMBYism is nearly impossible. Indeed, it may be the case that they often go hand in hand. South Brooklyn neighborhoods like Bay Ridge, Dyker Heights and Bensonhurst have been home to working class Italian and Irish communities for several decades. They were downzoned by DCP to stop out of context development that coincided with growing Asian, Hispanic and middle eastern populations in the mid-2000s. A DCP official told me that Bay Ridge exemplifies a community that has the infrastructure capacity for housing growth but got downzoned because of strong community pressure. Indeed in the De Blasio administration’s map of areas capable of more density, Bay Ridge is mysteriously left off despite being bisected by the R train. Increasing immigrant populations have spurred a surge in illegal residential conversions as landlords subdivide homes to accommodate multiple households. Longtime residents complain that the conversions are causing parking congestion and school overcrowding,\textsuperscript{241} but at a recent town hall meeting in Bensonhurst white attendees peppered statements about crowded streets and schools with racist, anti-Asian remarks.\textsuperscript{242}

\textsuperscript{240} McDonnell, Simon, Josiah Madar and Vicki Been, “Matching words and deeds?: How transit-oriented are the Bloomberg-era rezonings in New York City?”, in Transportation and Economic Development Challenges eds. Kenneth Button and Aura Reggiani.
\textsuperscript{242} Silberstein, Rachel, “Anger and Frustration Erupt at Illegal Home Conversions Town Hall,” Bensonhurst Bean, March 2, 2015.
The Homevoter Hypothesis

The “homevoter hypothesis”, first developed by William Fischel, depicts land use policy in most jurisdictions as the product of homeowner influence. Risk-averse homeowners, whose home is their largest asset, vote to oppose land use and density changes that would damage their property values.243 Most of the literature supporting the hypothesis was written with growing suburbs in mind. In suburbs, homeowners predominate and there is little competition to their political influence. However, Fischel and others have argued it is applicable to large, dynamic cities as well.

For one, even when homeowners are a minority, they tend to be better politically connected, larger political donors, and more frequent voters than renters.244 There is also the “iron law of aldermanic privilege” also known as “councilmanic courtesy”: in cities where the city council holds the decisive vote on land use decisions, councilors tend to defer to the councilmember whose district contains the project in question. In this way, the council systematically subordinates citywide needs, like growing the housing supply, and empowers parochial interests, whose leading advocates are most often homeowners.245 In his study of homevoter influence in New York City, George Mason Law Professor David Schleicher argues that a lack of political party competition in city council races reinforces aldermanic privilege and insulates candidates from competition.

Homevoter influence on land use decisions often results in zoning that restricts new development and undermines city or metro-scale housing growth goals. At other times it supports new development that increases property values.246 Since “new development creates citywide benefits but localized harms,”247 homeowner land use preferences tend to be antithetical to many policy goals. However, city government and homeowners both benefit from increasing property values/tax revenues. Thus, if homevoter policies like exclusionary zoning, increase tax revenues they are likely to win support from the political establishment.

Schleicher finds that despite an ambitious housing agenda, Bloomberg capitulated to homevoters in downzonings which were implemented “with no reference to their effect on overall housing supply.”248 A 2014 study by Been, Madar and McDonnell used quantitative

247 Schleicher, “City Unplanning” 40
248 Ibid. 28, 43
methods to test corollaries to the homevoter hypothesis in New York City. They found “surprising support” for the hypothesis, despite the low proportion of homeowners in New York City. Vishaan Chakrabarti blames this anti-development mobilization for stifling housing construction the city needs, calling New York “politically land constrained” by homevoters and their political representatives. Civic organizations that have mobilized for downzonings are often keenly aware of their influence. Sean M. Walsh, president of the Queens Civic Congress, notes, "We seem to be more successful in the election cycle than in the nonelection cycle, because I think [elected officials] need votes and [elected officials] try to appease or please people in the neighborhoods.”

Adherents of the homevoter hypothesis typically propose curtailments to community control over zoning decisions as the best way to elevate citywide needs over neighborhood interests. One proposal, which resembles regional growth planning on the west coast, suggests creating a “zoning budget” which requires all neighborhoods to meet minimum housing growth goals. Another proposal suggests compensating homeowners through property tax rebates when they approve zoning that achieves city-level objectives. Others argue that the best way to undermine NIMBY influence is to change existing structures, for example, by increasing the number of at-large council members or insulating planning commissions from community input.

The Growth Machine
The classic “growth machine” conception of urban governance posits real estate interests in partnership with government officials as the driving force behind land use regulation and development. In the 1970s and ‘80s John Logan and Harvey Molotch documented the interlocking interests of landowners, developers and politicians whose support for development is mutually beneficial in that it produces private-sector profits, new tax revenues, campaign donations and below-board kickbacks. Homeowner influence is cast as subordinate to that of the growth machine since planning bureaucrats and city councilors are primarily beholden to growth interests.

254 Schleicher, “City Unplanning” 55
A long line of scholarship has identified the growth machine as the driving force behind development policy in New York City. Susan Fainstein has written that the interests of real estate and city officials coalesced in the 1980’s as the federal government withdrew its support for urban development and the city came to rely more heavily on property tax revenues. In her study of zoning policy in Long Island City and Williamsburg, Laura Wolf-Powers finds that city planning officials’ “allegiance to property-led economic development” lead them to compromise the city’s economic wellbeing. Juliana Maantay finds that “zoning is responsive to wealth, property” and “political power” and that the lengthy, expensive nature of rezoning proceedings makes “market forces an even more likely influence on rezoning efforts.” In New York for Sale, Tom Angotti notes that New York City’s growth machine is composed of more than just developers and landowners, but also construction trade unions, brokers, influential civic groups that conduct research and advocacy, and finance and insurance firms who channel capital into the property market. "Most of the issues that are taken up in zoning are really to accommodate developers’ visions of how the city should be growing," Columbia University professor Elliott Sc Farhi told City Limits Magazine.

A recent letter signed by elected officials from the city council, state senate and US congress indicates how deeply rooted the growth machine narrative is in public discourse. The letter addresses development around Brooklyn’s Gowanus Canal and begins with a review of the Williamsburg and 4th Avenue (Park Slope) rezonings:

- The goals of private developers were placed first, rather than the needs of infrastructure, community, and public benefit. The City gave developers large density boosts and property tax breaks worth many millions. These public actions generated massive increases in private land values and wealth — but far too little public value was generated, and far too little was shared.

The association of rezonings with private gain and public loss are animating conversations over the new administration’s housing agenda. Proposed rezonings in East New York, Jerome Avenue in the Bronx and East Harlem are meeting resistance from community members who point to the experience of neighborhoods rezoned under the Bloomberg administration. Even neighborhoods that the city has not targeted for rezoning, like Gowanus and Prospect Lefferts Gardens in Brooklyn are mobilizing around fears of luxury development and gentrification.

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257 Wolf-Powers, 380-1
258 Maantay, Juliana 1038
261 “Bridging Gowanus: Letter from Elected Officials”, Bridging Gowanus Framework, bridginggowanus.org
Weighing in on the debate

In chapter 3 we found that the three types of rezonings implemented during the Bloomberg administration differed both in stated objectives – vis-a-vis economic development, housing growth and neighborhood preservation – and in stakeholder participation. Homeowner-dominated civic associations drove downzonings, while complex negotiations between landowners, developers, community representatives, and planners characterized upzonings. Not surprisingly, hybrid rezonings featured a mixture of stakeholder influences but tended to skew towards homeowner needs despite high proportions of renters (see the Crown Heights case study). Chapter 4 explored the differing development and demographic trajectories of the three rezonings types indicating that the rezonings were effective in dictating development but less so at guiding demographic outcomes.

These findings suggest that the growth vs. displacement argument should be considered differently in different types of neighborhoods. They suggest the same for Homevoters and The Growth Machine. While the terms of the debate in the scholarly literature tends to be all-or-nothing, there is ample evidence that the political economy of centrally located land with unrealized development value is fundamentally different from peripheral residential neighborhoods.

In Keep Out: The Struggle for Land Use Control, Sydney Plotkin argues that land use conflict is an inherent feature of capitalism since exclusionary property rights and investment in new development – two core features of capitalism which he calls exclusion and expansion – are constantly in tension. Since the complete dominance of either exclusion or expansion would produce political and economic dysfunction, “government cannot take sides for long without switching partners.” In New York exclusion is represented by anti-development homevoters and their elected officials while pro-development stakeholders in and out of government advocate for expansion. The Bloomberg rezoning program can be understood as a manifestation of Plotkin’s “switching partners” occurring across the space of the city rather than time. Over the course of a single year, 2005, the city downzoned 15 neighborhoods, stunting their ability to contribute to citywide growth goals, while also implementing four major upzonings on the Brooklyn and Manhattan waterfronts that spurred massive amounts of new construction and private-sector profit. In effect, the city supported exclusion in the homevoter-dominated neighborhoods and expansion where the growth machine carried more sway.

Some part of this differentiation can be ascribed to the heterogeneity of demand in New York City. To understand how an uneven property market within the city shapes the political

economy of rezonings, we need to briefly examine the spatial aspect of the city’s real estate market.

Real Estate Heterogeneity in New York City
The 2008 study by the New York Federal Reserve cited earlier found a “relatively rapid depreciation” in land prices with distance from midtown Manhattan and that “the proximity premium is especially high for land to be used for residential purposes.” This fairly intuitive finding highlights the location premium housing consumers place on proximity to central Manhattan where jobs, transportation infrastructure and entertainment are clustered to an almost unrivaled degree (figure 41). Given that construction costs are high across the city, most developers only consider projects within a modest radius of lower Manhattan where sufficient returns are possible. The Furman Center has found that “large sections of New York City do not have sufficient market strength for high-density mixed income development to be viable without other forms of subsidy.”

Chakrabarti and Keenen have shown that a significant amount of New York’s unbuilt as-of-right capacity for housing is unlikely to ever be built regardless of zoning. Most of it exists above existing buildings in slow markets around the city. Unless the market shifts towards these areas and construction costs dip, landowners and developers do not have a financial incentive to tear down those buildings.

Regarding low-rent neighborhoods, the Furman Center concludes that “in much of the city, upzonings may make sense for long-term planning purposes and to accommodate larger subsidized buildings” but “even fully market-rate buildings are not currently being built in these areas.” Peripheral neighborhoods like those in the Rockaways or Staten Island are not on the growth machine’s radar. Returns there are just too small to attract attention except from small builders who have limited political clout.

| Low-income Neighborhoods | <$50 |
| Gentrifying Neighborhoods | $250-$500 |
| Prime Neighborhoods | >$500 |

Figure 41 Land values vary widely by location. Source: Community Service Society, “Reinventing the Mitchell-Lama Housing Program”, April 2015

The limited geography of potential real estate profitability produces the two development dynamics captured under the generalizations of the “growth machine” and “homevoter” theories. Powerful real estate interests had little stake in the expansive low-slung outer-borough neighborhoods that the Bloomberg administration downzoned. Homeowner

264 Madar, Josiah and Mark Willis. “Creating Affordable Housing Out of Thin Air”.
265 Chakrabarty and Keenan, 5
266 Of course, proximity to Manhattan is not the only source of location premiums. Conversely some neighborhoods close to the core do not draw interest from property developers for various reasons. For example, elevated subway lines dampen demand on many outer-borough and upper Manhattan commercial corridors.
coalitions were virtually unopposed in the political process leaving councilmembers with the easy decision of supporting downzonings (rather than risking replacement by a candidate who would). Where land values are high the dynamic is different. Landowners, developers, construction unions and real estate investors had substantial interest in the details of rezonings like those of West Chelsea, Hudson Yards, Greenpoint-Williamsburg and Downtown Brooklyn. By all accounts, they were active in lobbying for the rezonings and influencing their land use and density allowances. The interests of renters and longtime manufacturing tenants also played a more substantial role in these rezonings. They mobilized through the ULURP process, 197-a plans and community benefits agreements to secure public goods from redevelopment plans. These efforts had mixed success and while they often scored partial victories and reduced potential displacement effects, community interests were not the driving force in any of Bloomberg’s upzonings.

In sum, I find that infrastructure considerations only partially explain the distribution of rezonings across the city. Unlike much of the existing literature which tends to make blanket analyses of development politics in the city, I find that political contexts differ amongst the three zoning types I have identified. Each type of rezoning had a unique cast of stakeholders and a distinctive form of engagement between the community and city government. In downzonings, homeowner interests predominated and city planning acquiesced to pressure from local elected officials and civic organizations. Hybrid rezonings also featured the assertion of homeowner interests but with a firmer position taken by DCP which required density increases on commercial corridors. Upzonings involved a broader set of stakeholders and thus higher levels of conflict and compromise. Landowners and developers vigorously advocated for their interests while renter, environmental and cultural organizations tried to mitigate gentrification effects.
6. Alternative Approaches and Concluding Thoughts

“We want change, but we want change without displacement… the city doesn’t know how to do that. Show me a neighborhood where there’s positive change and progress that hasn’t resulted in displacement.”\textsuperscript{267} - Susanna Blankley

The discussion in chapter 5 suggests that both the character and geography of housing growth are critical determinants of New York City’s affordability and this its economic inclusivity and racial/ethnic diversity. Debates over zoning often boil down to support for or opposition to added residential density. Evidence from the Bloomberg rezoning program suggests that neither position offers a viable solution by itself. On the one hand, the high cost of development and immense demand for housing create a situation in which densification often means displacement rather than filtering and rent moderation. On the other hand, with decades of population growth ahead, opposition to new development only offers short-term relief from housing cost pressures while diminishing housing options for low-income renters.

Help from the federal government?  
Looking beyond land use and development regulations, there are two policy interventions that could address New York City’s housing strains in a relatively comprehensive and efficient way. The first is increasing incomes. Legislation that significantly strengthens the minimum wage or creates a substantial cash transfer program would put a dent in New York’s widening wealth gap and in doing so improve the ability of renters to attain market rate housing where they need it, at costs that they can manage.

The second is supporting subsidized housing. The De Blasio administration has committed to increased city capital allocations towards affordable housing, but such investments in New York (and throughout the country) pale in comparison to the public support for housing in Vienna, Hong Kong, Singapore and other global cities with a strong commitment to social housing. Without a financial allocations for new public housing, a new Mitchell-Lama program or an equivalent intervention, the city’s affordable housing construction will not adequately address the housing crisis.

The glaring problem with these approaches and why I will sideline them going forward is their dependence on resource allocations from the federal government. A new federal minimum wage may be politically feasible in the short to mid-term, but the measures necessary to substantially alter income inequality have little traction in congress. Given the downward trajectory of federal spending on housing, reinvigorated support for subsidized housing in New York is equally unlikely.

Community-based planning

Strengthening community-based planning would be a step in the right direction. In neighborhoods where renters, minorities, immigrants, and low-income households have been marginalized by formal planning processes, city encouragement and recognition of community-based planning could balance out development interests and achieve improvements in the quality of life. Empowering community boards, currently underfunded and understaffed, could encourage a more vigorous role for community members in the planning process. Strengthening the 197a mechanism could also be effective. Currently, the city is not obligated to observe 197a plans and their procedural requirements make for long, expensive processes that tax community resources. A stronger 197a would change outcomes in planning processes with direct implications for disadvantaged communities like that of Greenpoint-Williamsburg.268

However, community engagement in the planning process is not a panacea for the problems documented in this thesis. As we have seen, some homeowner communities already have substantial sway over land use decisions in their neighborhood and use their influence for exclusionary purposes. Furthermore, whether their impulses are exclusionary or inclusionary, communities cannot be counted on to account for citywide needs while also addressing local issues. In a sense, this is the territory of Susan Fainstein’s The Just City: we cannot expect democracy, equity, and diversity to coexist easily when it comes to urban policymaking. Tradeoffs are inevitable.

I have identified three policy areas in which the City can better account for citywide housing imperatives while also equitably distributing the externalities of growth:
1. Plan beyond the neighborhood level
2. Use infrastructure to promote equitable growth
3. Get serious about value capture

These areas offer politically feasible approaches to changing land use and development policy that do not depend on federal funding or state legislation.

1. Plan beyond the neighborhood level

For decades planners have bemoaned New York City’s lack of a comprehensive master plan, the primary tool of planning in almost every other American city. Without it, the thinking goes, planning is haphazard and dominated by development interests. While a single master plan seems politically and technically unfeasible, New York City could learn from elsewhere in implementing planning frameworks that look beyond the scope of a single neighborhood, increase transparency and accountability, and improve the equitability of planning outcomes.

Comprehensive planning?
The city’s one serious attempt at adopting a master plan failed to win approval in 1969. Since then, planning has continued piecemeal. Text amendments have occasionally altered citywide regulations but most planning has been carried out on a neighborhood-by-neighborhood basis in response to pressing needs or political pressure. Bloomberg’s three PlaNYC documents and the De Blasio administration’s OneNYC consider infrastructure and housing at the citywide scale. However, unlike a master plan, they are structured as loose frameworks that document existing initiatives and potential future actions but lack concrete connections to capital budget allocations or specific growth targets.

Without a comprehensive guide, incremental planning has dictated land use changes. According to its critics, the piecemeal approach may bring flexibility and contextual sensitivity, but ultimately produces “growth without planning”. Fragmented decision-making has confined DCP to acting as an “enabler of developer-driven projects.” In addition to considering growth in limited geographies rather than citywide, this approach has also focused on zoning at the expense of other planning considerations particularly employment opportunities and infrastructure. Jarold Kayden writes, “in New York City, zoning has really been the unintended plan, but it does not do a good job.”

The findings of this thesis suggest that the fragmentation of the planning process had particularly significant impacts during the Bloomberg mayoralty. Each rezoning, treated autonomously, was subject to powerful stakeholder interests, ultimately channeled through the decisive vote of the local city councilmember. In upzonings, developer and landowner interests had the strongest sway while in downzonings homeowner associations met little resistance in advocating for reduced density. When rezonings are considered in isolation from each other, the primary political incentive for councilmembers is to support the position of the most powerful interest groups.

Since each rezoning was considered separately there was little citywide conversation about most rezonings. This reflects Michael Kwartler’s observation that the piecemeal approach “does not include mechanisms for putting what are essentially localized situations into a broader context.” One can imagine how different the political discourse would have been if the 116 neighborhood rezonings had been proposed together in 2002 as part of a new master plan. Considering multiple rezonings at once allows for transparent give-and-take over planning priorities and development impacts while facilitating “confidence that costs

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269 Lander, Brad. “Rediscovering City Planning, 16
270 Bressi, 107
271 Schliecher, “City Unplanning” 30
272 Bressi, 191
will be equitably distributed and city-wide benefits will ultimately be achieved.”273 That is not to say that master planning guarantees improved outcomes, but rather that comprehensive planning forces government to engage in a dialogue with the public over urban planning and policy that is otherwise lacking.

Making planning more comprehensive

Today, most planners in and out of city government agree that developing a unitary master plan would be impractical and counterproductive. New York’s size, complexity and political fragmentation make a comprehensive planning process hard to imagine. There is also concern that, like the 1961 zoning resolution, by the time a plan is adopted it would already by out of date. A rigid master plan would lock in changing neighborhoods and undermine the flexibility to accommodate a constantly shifting city’s needs.274 Instead of a unitary document, the city should adopt practices that account for citywide needs and link neighborhood rezonings to clearly articulated visions for the city and metro area. Examples from other cities suggest that New York can pursue comprehensive planning while not developing a comprehensive master plan.

Growth Targets

The growth target model mandates the consideration of citywide needs without precluding neighborhood-level or community-based planning. In order to meet projected population increases, Seattle has instituted specific housing growth targets for “urban centers” and “urban villages” within the city, which have been identified as capable of accommodating densification. The recently approved, “Plan Bay Area” has done the same within each of that region’s cities, following TOD principles in order to achieve the dual goals of sustainability and equity. Both plans have been controversial and skeptics question the legitimacy of specific growth targets, however by tying demographic projections to housing needs in the form of concrete targets, these plans allow for a public debate that is missing in New York. Targets force communities to consider what their fair share of the housing growth burden is and make elected officials accountable to more than their immediate electoral constituency.

Citywide forcing mechanisms

Another set of strategies mandate the fair distribution of growth through citywide regulatory structures. David Schleicher and Rick Hill’s “zoning budget” scheme proposes that government set a citywide minimum threshold for increased zoned square footage. Until that threshold is passed, downzonings are prohibited or subject to more rigorous citywide oversight. In this way, growth objectives are given precedence over NIMBY concerns.275 Similarly, Massachusetts’ Chapter 40B ordinance allows developers to override restrictive

273 Hills Jr., Roderick and David Schleicher, “City Replanning”, George Mason University Law and Economics Research Paper Series. 46
274 Ruchala interview
275 Hills Jr., Roderick and David Schleicher, “City Replanning”
zoning to build affordable housing if a city or town has less than 10% affordable housing. Adaptation of these strategies to the New York context would involve careful thinking about the affordability levels and quality of the incentivized new housing.

Planning across neighborhoods

Even without introducing new elements to the planning process, planners could expand the geographies considered in each rezoning so as to diffuse NIMBY and real estate influence. Transit corridors, particularly subway lines, might act as the unit of analysis for planning activity. For example, a rezoning or comprehensive planning exercise that accounts for the needs of the entire L train corridor would force planners, elected officials and communities from multiple neighborhoods to think critically about gentrification, infrastructure capacity and community preservation. Somerville’s 2012 comprehensive plan and zoning code rewrite (in progress at the time of writing) were explicitly initiated in anticipation of the Green Line expansion. City planners joined forces with the city’s CDC in order to anticipate gentrification and increased housing demand and take measures to prevent displacement. The Somerville process is exemplary both in how it anticipates the impacts of growth, its city-CDC collaboration and the way in which it uses transit lines as guides for conceptualizing land use and infrastructure goals.

The De Blasio administration’s proposed “Zoning for Quality and Affordability” amendment to the zoning code also utilizes infrastructure-oriented planning that goes beyond the neighborhood level. In addition to building envelope changes meant to encourage the construction of affordable housing, the proposal would eliminate parking requirements for affordable housing in multi-family districts within a half-mile of subway stations.²⁷⁶ By focusing on transit-rich areas across the city, the plan is more resistant to NIMBY opposition than it would be if proposed in an individual rezoning. Borough-wide comprehensive plans, instigated by the office of Borough presidents, might be another way to plan beyond neighborhood boundaries but avoid a grueling citywide process. These measures would create more accountability in the allocation of density across the city.

Many of the examples from which New York City might draw are from cities where state legislation mandates regional planning and fair-share housing policies. Despite the intense political influence of the real estate lobby, which has traditionally opposed comprehensive planning, addressing state-level land use law could be a back-door approach to modifying planning practices within the city.

2. Use infrastructure to promote equitable growth

As we have seen, infrastructure considerations were often dwarfed by development politics in the formulation of rezonings. Nevertheless, insufficient transit access, school capacity, and waste facilities rule out large expanses of the city from consideration for development.

Having some areas out of the development picture magnifies pressure on transit-rich neighborhoods that are often home to vulnerable renter populations. This is certainly the sentiment in East New York and Jerome Avenue in 2015 as neighborhood residents argue that their struggling communities need city support but not dense development that will spur gentrification. To distribute growth smartly and equitably the city needs to pursue infrastructure investments that not only improve the city’s quality of life but also strategically redistribute growth.

The Regional Plan Association’s 2015 report “Overlooked Boroughs” documents the shortcomings of the city’s transit system in the outer boroughs. It finds that a lack of public transportation between boroughs and a lack of subway service to many neighborhoods is hindering economic growth and housing opportunities while putting car-less, low-income households at a particular disadvantage. Noting that population and job growth in the outer boroughs is projected to outpace Manhattan, the RPA proposes bus and commuter rail enhancements as well as a new “circumferential” subway line that bring service to underserved neighborhoods in Brooklyn, Queens and the Bronx.277

The immense cost of building infrastructure in New York City makes such a proposal extremely challenging. Per mile, New York’s ongoing subway extensions are by far the most expensive urban rail projects in the world.278 Nevertheless, rail projects in the outer boroughs can take advantage of existing freight lines and cheaper land prices when building stations.

Expanding public transportation would address the city’s growth challenge in two ways. First it would bring service to areas that already demand it. The RPA study finds that the numerous underserved areas house high concentrations of car-less, low-income residents. These areas include downzoned neighborhoods that are experiencing influxes of immigrants and low-income households like Canarsie, Corona, and the several downzonings in the greater Jamaica area.279 Local concern that those neighborhoods do not have the infrastructure to support more population cannot guide policy and families have chosen to move there anyways. It is too late to wish away the renters. Public transportation would give them better access to livelihoods and economic mobility.

Spreading transit infrastructure would also create new opportunities for housing growth and in doing so, produce a more equitable distribution of growth in the city. Low-income minority neighborhoods cannot be the only targets for growth if the city wants to retain a diverse population. In other words, gentrification should not be the city’s primary vehicle for growth. Distributing growth more fairly requires new infrastructure capacity in middle and

high-income neighborhoods that have resisted housing development on the grounds that their roads are too burdened and schools too crowded.

The De Blasio administration’s OneNYC plan should be commended for putting an ambitious transportation agenda on the table. Enhanced select bus service (New York’s quasi-bus rapid transit) and a Utica Avenue subway extension would go a long way toward improving transit access for existing outer-borough residents and further distributing the burden of new housing growth.\(^{280}\) The same can be said for the State’s proposed repurposing of a freight track in the Bronx to become metro north service to Parkchester, Co-op city and Hunters Point. Whereas the Bloomberg administration’s signature transit project, the 7 train extension, was aimed at fuelling investment in the core of Manhattan, future projects should look to the city’s periphery where most future housing growth will take place.

3. Get serious about value capture
Under the Bloomberg administration, the value created through upzonings was understood to trickle down to the public via tax revenues. In the eyes of affordable housing advocates, “increased land values are simply given away, generally with no public benefit.”\(^{281}\) Inclusionary zoning, introduced in 2005, severely underperformed. Memoranda of agreement, another mechanism to secure public benefits in exchange for rezonings, have yielded underwhelming results as well. In addition to being “disconnected from planning” they have lacked “any framework for oversight or implementation.”\(^{282}\) The same can be said of community benefits agreements signed in developer-led initiatives, mostly notable at Atlantic Yards in Brooklyn.

The De Blasio administration has signaled its intent to get more from public actions that benefit developers. The new mandatory edition of inclusionary zoning is sure to extract more affordable housing from the market than its predecessor. However, as discussed earlier, its impact is inherently limited by market patterns and the geography in which it will be applied. The most prime neighborhoods for rezoning, particularly waterfront areas, have already been upzoned by the Bloomberg administration. The areas under consideration for rezoning by De Blasio – the areas where mandatory inclusionary zoning would apply – have much weaker housing markets. No amount of gentrification will make properties in East

\(^{280}\) Writing in New York Yimby on April 24, 2015, Rebecca Baird-Remba writes that a Utica subway line would bring “more development to these low-density swaths of southern Brooklyn, which are some of the borough’s last affordable outposts beyond the “gentrifying fringe” of Crown Heights, Prospect-Lefferts Gardens and Ditmas Park. Property is certainly cheaper in these far-flung neighborhoods, making them attractive to both affordable housing developers and smaller market-rate builders.” While new transit access to the area would raise housing costs it would also facilitate the development of more subsidized housing and affordable market rate housing with transit access.

\(^{281}\) Dulchin, Benjamin, Moses Gates and Barika Williams. “Housing Policy for a Strong and Equitable City”, 5.

\(^{282}\) Lander, Brad. “Rediscovering City Planning and Community Development, Together”.
New York or Jerome Avenue in the Bronx equivalent in value to the Williamsburg waterfront, Park Slope’s fourth avenue or the boulevards of Harlem.

To capture value, quantifying value is crucial. The City Environmental Quality Review, CEQR, is required for any development or zoning change that might have significant environmental consequences. CEQR results in an Environmental Impact Statement (EIS) that identifies environmental and social impacts of the proposed project. The EIS is primarily a disclosure document and while the project sponsor, DCP in the case of neighborhood rezonings, lists mitigations, there is no formal mechanism that insures their implementation. CEQR’s precise formulae for calculating impacts underestimate residential displacement effects by ignoring key factors like rental destabilization. While developers and their allies argue that New York needs less environmental review, a more mitigation-oriented review would benefit neighborhoods subject to market interest.

The city’s existing value capture tools - inclusionary zoning, negotiated concessions and environmental review mitigations - can be strengthened but the city can do much more to achieve public benefits commensurate to the value developers gain from upzonings and infrastructure improvements.

Special Assessment Districts
Since 1921, the Contribución de Valorización has charged Colombian landowners for unearned increments to their land value stemming from public actions. The Contribución de Valorización is a major source of government revenue in Colombia’s large cities. In Brazil, municipalities capture the value of upzonings by auctioning development rights in order to finance public housing and other public goods in defined redevelopment areas. Legal property rights norms make these policies difficult to translate to an American context, but there are elements that can and should be emulated.

First, future upzonings should consider using a special tax assessment district, the American cousin of the Contribución de Valorización, to capture the benefits accruing to landowners through the increase in development capacity. In the Crown Heights case study in Chapter 3, we looked at a 1535 Dean st. whose sales price rose from $7.5 million in 2008 to $18 million in 2014. The 2013 upzoning of Franklin Avenue increased the property’s developable floor area by 53%. Ongoing gentrification would have increased the property’s value regardless of the rezoning, but a carefully crafted special assessment district would calculate the amount of

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the value increase stemming from the land value increment and charge the landowner for it. The proceeds would be reinvested into the neighborhood in the form of affordable housing.

Transferable Development Rights
The transferable development rights (TDR) mechanism offers another direction for capturing value. To date, TDRs in New York have primarily been used to facilitate lot mergers and to provide compensation and legal cover for landmark designations. Innovative uses of TDRs in Times Square, around the High Line and at Hudson Yards point to their potential as tools to advance the public interest. These examples set a precedent in which the city closely regulated both the buyers (recipient properties) and sellers of development rights. Such regulations could be crafted to encourage the construction or preservation of affordable housing as a condition of upzoning. Unlike inclusionary zoning which requires a set percentage of affordable units in return for a fixed density bonus, upzoning via TDR’s uses market efficiencies to accurately charge developers for added density. City-run TDR banks or community institutions can act as intermediaries between buyers and sellers and thus direct the TDR market towards public policy goals. In Seattle during the 1990s, TDRs were used preserve affordable housing near downtown. Recent proposals have studied the West Chelsea TDR program and look to use transfers to build new affordable housing in the outer boroughs, coordinated by “community growth corporations”.

Expand Socially Controlled Land
Expanding land under private or non-profit/community ownership is yet another form of value capture the city should consider. Since the 1920’s, Vienna’s municipal land bank has aggressively purchased land ahead of infrastructure improvements so that the state not only captures the land value increase, but controls development into the future. Today Vienna’s rental housing stock is amongs the cheapest in Europe and over half of all rental units are directly or indirectly government owned. In New York’s gentrifying neighborhoods, removing land from the speculative market is perhaps the only sure way of guaranteeing a place for low-income residents into the future.

The cost of land and the city’s recent history with in-rem housing suggest that New York is not on the verge of expanding its property holdings. However, the city should carefully consider the future of its remaining publically owned lots.

Taking into account the remaining in-rem properties and municipal parking lots and single-story libraries, police stations, etc., the city still has substantial land holdings. Rather than releasing them in public-private partnerships, the city can use leasehold arrangements to retain long-term stewardship over the land. There are also ways to coax property from the private sector back into the social. In 2014, the municipal government of Paris announced a plan to assert the right-of-first refusal to buy apartments in a gentrifying neighborhood as they go on sale. After purchasing the units at market price, the city would turn them into permanently subsidized units for low-income households. Richmond, California has floated plans to use eminent domain on underwater properties that were subject to unethical banking practices. There are more modest (and politically palatable) ways to pursue the same goals in the New York context. By combining lien forgiveness and tax incentives the city can incentivize landlords to transfer overleveraged properties to non-profit or cooperative ownership. The 2011 New York State Land Bank Act allowed the state to empower 30 local governments with special land banking powers. While New York City has not received land bank certification, it would allow for a more aggressive pursuit of properties entitled to negligent landlords or absentee owners warehousing land as speculative investments.

**Conclusion**

Urbanists around the world celebrated New York’s high-profile rezonings as innovative breakthroughs in post-industrial revitalization and urban design. To many, the High Line, the massive redevelopment of Hudson Yards and the transformation of the Williamsburg waterfront are monuments to the potential of forward-looking leadership and ambitious urban planning. After all, these were projects of immense ambition in an age of federal retrenchment and intense global competition. The Bloomberg planning agenda brought together conflicting modes of urban development like never before: a dependence on the private sector with a city government unafraid to dictate terms, corporate-inspired financial restraint with massive infrastructure investments, neighborhood-scale projects with design sensitivity at the building level. Former Planning Commissioner Amanda Burden called it “building like Moses with Jacobs in mind”, anthropologist Julian Brash dubbed it the “Bloomberg Way”, and others use labels like neoliberal or entrepreneurial, but whatever the name, the Bloomberg administration developed a form of urban governance that has already inspired imitators across the country and around the world – enough admiration to warrant the transformation of virtually the whole top level of the administration into a global consultancy, Bloomberg Associates, upon completion of their third term in December 2013.

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Nevertheless, public skepticism of city-led planning and rezonings in particular escalated during the mayoral campaign to replace Bloomberg and has continued well into the term of his successor. The perception that the Bloomberg administration’s rezoning policy marginalized low and middle-income people while enriching developers has fuelled a rapid mobilization against the new administration’s planning agenda. Tenant advocates, labor unions and grassroots formations demand that the city scrap the Bloomberg template for neighborhood planning and development new processes that prioritize the needs of disadvantaged households. “Around New York,” write Vivian Yee and Mireya Navarro in the *New York Times*, “people who have watched luxury buildings and wealthy newcomers remake their streets are balking at the growth Mr. De Blasio envisions.”

The findings of this thesis affirm the ascendant popular critique of the city’s zoning practices in highlighting two tensions that the city must address if it is to improve on the outcomes of Bloomberg administration urban planning. The first pertains to the scale of planning initiatives: neighborhood versus city. The Bloomberg administration used the neighborhood as its primary unit of planning analysis and zoning change. In doing so, city planners were able to conduct careful studies of neighborhood conditions and execute detailed, lot-by-lot modifications to the zoning map. Citywide zoning and planning changes are generally incapable of achieving that level of specificity. New York’s 1961 zoning resolution applied sloppily generalized zoning to much of the city and failed to account for the character of distinctive neighborhoods. On the other hand, as discussed earlier in the chapter, the failure to use city-level frameworks means that neighborhood rezonings can be vehicles of myopic, politically constrained thinking. Furthermore, with limited capacity, the city’s slow, rolling rezoning process has yet to reach much of the city, leaving some areas vulnerable to unscrupulous developers.

The second tension, necessarily interwoven with the first, is between participatory planning and citywide planning imperatives. By focusing on neighborhood units, rezonings in New York have been subject to inputs by local stakeholders. The makeup of those stakeholders differs across the city and their efficacy in shaping rezonings is uneven. Nevertheless formal and informal pathways have connected community groups, landowners and developers to local rezoning processes. While this approach has its merits, it does not lend itself to promoting housing growth goals that transcend neighborhood boundaries. Every neighborhood has reasons that they should not be subjected to increased density. Yet, New York’s population is growing and will continue to do so. As the housing market gets tighter and tighter it is immigrants and low-income people of color who ultimately pay the highest price through unsustainable rent burdens, displacement, and homelessness. This phenomenon demands thinking at the city scale. Several of my proposals to do so would

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necessitate changing community input as it currently exists. That change would involve reducing the agency of certain constituencies whom the current system grants agency such as homeowner associations in low-density neighborhoods. Inevitably the values of equity and democracy will clash as homeowners assert their right to participatory planning while professional planners prioritize broader goals including densification.

To promote a diverse and inclusive future for the city, New York will have to address these tensions with creative, bold steps. The current paradigm manifested in the Bloomberg rezoning program, piecemeal, reactive and focused on putting out fires rather than taking initiative, is insufficient to address the challenges that population growth, climate change and insurgent economic inequality pose to the city. The public has signaled that merely doing “Bloomberg rezonings” better – more democratic, more affordable– will not be enough. For all of its challenges, New York is fortunate to have political and economic circumstances conducive to forward-looking public policy. The necessary changes to the status quo will depend on a combination of public pressure for more equitable urban growth and prudent governance that balances the needs of neighborhoods with those of the city and the virtues of public participation with safeguards against exclusion.
Appendix B

Classifying Rezonings:
I used three metrics to categorize the rezonings:

1. The percentage of lots reclassified into low-density contextual districts between 2002 and 2013.
2. The percentage change in zoned residential capacity (in square feet of building area) between 2002 and 2013.
3. The number of lots rezoned out of a manufacturing district (including lots that were rezoned to have residential or commercial overlays).

In addition, I consulted DCP’s rezoning specific documentation in special cases where these metrics did not capture the zoning change. For example, the 2008 Westerleigh rezoning in Staten Island reduced allowed residential densities. However it did so by remapping a contextual R3X district – which had replaced an R3-2 district in 2003 – with a R2 district. Since this rezoning technically reduced the number of lots in a contextual district but also reduced allowed densities, no single metric would help identify it as a downzoning.

Selecting the initial universe of rezonings
The City Planning Commission certifies dozens of zoning map and text amendments every year, but only a subset are relevant to this study. The relevant rezonings are city-initiated and concern more parcels than makeup a specific project site. I came to 114 rezonings as follows:

1. The NYZMA file from DCP’s Bites of the Big Apple data repository lists 403 zoning changes implemented between 2003 and 2013. These include both city-initiated rezonings as well as zoning amendments associated with large project sites and zoning text changes covering regulations such as parking requirements.
2. In order to select only the large city-initiated rezonings from this file, I selected those rezonings that were also listed on the DCP website’s borough pages for city-initiated rezonings. That yielded 141 rezonings.
3. From the 141 rezonings, I removed entries that covered natural areas conservation, streetscape improvements, parking or overlapped with earlier rezonings during the 2002-2013 time period. For those zonings that overlapped I have kept the earlier rezoning for the study since the later rezonings generally constitute small expansions of the rezoned area or slight amendments rather than major rezonings in their own right. This left 114 rezonings.
4. For calculations using census data I only used rezonings that occurred between 2003 and 2010. The few rezonings from 2002 had been leftovers from the Giuliani administration projects. Not enough data is available to make meaningful observations (using census data at least) for rezonings implemented after 2010. This left 85 rezonings.

Appendix C

Residential development capacity is a measure of the amount of residential building mass allowed by current zoning. This project has used the sum of development capacity for all lots in a given rezoning area. Doing so allows us to capture the aggregate effects of a rezoning while being less sensitive to the mixture of up- and downzonings implemented on specific
parcels in the zoning area. To determine change over time, I have compared residential capacity from the 2002 data to the 2013 data. For a given rezoning, this figure includes some capacity changes from spot rezonings but mostly reflects changes attributable to the neighborhood rezoning in question.

The Dept. of City Planning makes the zoned FAR of lots available through their MapPluto datasets. However the information they provide on FAR for 2002 is somewhat different from 2013. The 2002 data lists a maximum allowed FAR which reflects the residential FAR for zoning districts where residential is greater than other uses but the commercial FAR where that surpasses the residential. The 2013 data simply lists the two FAR allowances separately. I adjusted the 2002 data to be equivalent by creating a new variable that matches 2013’s “Residential FAR” category. This necessitated determining which zoning districts allowed for a higher commercial use and reallocating their FAR according to the allowed residential FAR for that zoning district.

Appendix D
Assessing the change over time of variables at the neighborhood level is limited by the availability of data sources. Rezonings have specific implementation dates which complicates the analysis of available data by requiring that specific time intervals are examined. In this case, the optimal interval would be from the time of the rezoning to 2013 when Bloomberg left office. Since rezonings occur in oddly shaped configurations of city blocks, it would be inaccurate to measure variables using the best available source of urban demographic and housing data, Public Use Microdata Areas (PUMAs), which the NYC Housing and Vacancy Survey uses to study housing trends. Instead, census block groups are the best choice since they can be combined to match rezoning boundaries. Only certain datasets offer information at the census block group level. For the purpose of this study three Census Bureau datasets are relevant: the 2000 decennial census, the 2005-9 American Community Survey (ACS) 5 year estimate, and the 2009-13 ACS 5 year estimate.

In order to document neighborhood change in the rezoned areas of New York City I draw on all three of these census products. I first analyze every rezoning using the decennial census and the 2009-13 ACS. This interval, which I refer to in shorthand as “2000-13” offers a fairly good understanding of how a neighborhood changed during the Bloomberg administration (2002-13). It has limited use in making causal connections because for rezonings that happened late in Bloomberg’s mayoralty, it samples too much data from years prior to the rezoning. For that reason I have also analyzed the rezonings in two groups. Rezonings that occurred between 2003 and 2005 are analyzed using the same interval as above (2000 census to 2009-13 ACS) while rezonings implemented between 2006 and 2010 are explored using the 2005-9 ACS and the 2009-13 ACS.
In some ways, splitting the rezonings into these two groups is preferable since it better matches a rezoning’s implementation date to the beginning of the census interval. However the later interval (05-09 to 09-13) has significant drawbacks.

1. ACS 5-year estimates sample evenly across five years. Comparing two of them gives a diluted picture of change since they share one year of data in common (2009) and only draw a small portion of their information from the outlier years that are most important to the interval construction hear – 2005 and 2013.

2. Every neighborhood in the city was impacted by the recession that began taking hold in 2007 and lingered to a significant degree into 2011 and to a lesser extent until 2013. The dip in the housing market that accompanied the recession influenced the nature and pace of development activity and neighborhood change. It is hard to say exactly how the recession affects the accuracy of using two consecutive ACS 5 year datasets, but it is likely that it results in serious distortions that can be avoided by using longer intervals and decennial censes rather that multi-year estimates.

3. The later interval only contains three upzonings. In addition to offering a poor sample size, The Jamaica Rezoning, Third Avenue/Tremont Avenue Rezoning, and the Culver El Rezoning are particularly unique because of their locations and the timing of the recession in relation to their implementation.

Since options are limited, I have elected to analyze all rezonings with the longer interval (2000 to 2009-13) and then use the two shorter intervals to interrogate those findings. I use a “difference in differences” technique which allows me to compare variables over time between rezonings and the city as a whole. In this analysis I exclude rezonings that took place after 2010 since the census interval of 2000-2013 barely captures any time after a 2011 rezoning took place. 84 rezonings took place between 2003 and 2010.

Calculating Demographics for Rezoning Areas

Calculating demographic totals for rezoning areas is difficult because of the mismatch between those areas and available census geographic boundaries. The HPD/Census Housing and Vacancy Survey provides detailed data at the PUMA geography level. Unfortunately PUMA’s are too large to be useful in making observations about rezoning areas. Census blog groups were best suited to the task because of their small size and availability in the 5-year ACS estimates.

To select the census block groups for a given rezoning, I used GIS to identify all block groups within or intersecting the rezoning boundary. I then removed any block groups that were not at least 50% within the rezoning boundary. I used GeoLytics software to get Census 2000 data in Census 2010 boundaries and Census 1990 data in Census 2000 boundaries.

This method necessitated the removal of some small rezonings from my sample. Some small rezonings have no block groups with over 50% overlap with the rezoning area and they have been removed. They are:

- 161st Street/River Avenue Rezoning
- Brush Avenue
- Coney Island Comprehensive Rezoning Plan
• DUMBO Rezoning
• East Windsor Terrace / Stable Brooklyn Rezoning
• Hudson Square
• Port Morris/Bruckner Boulevard Rezoning
• Prince's Bay
• Sheepshead Bay
• Washington & Greenwich Streets Rezoning
• West Chelsea

To determine the aggregate totals for rezoning areas I simply summed the relative census block group totals. Determine mean and median statistics requires more complex calculations. After considering several options, I decided to use weighted averages, which are also used in several Environmental Impact Statements I consulted. Weighted averages were constructed as follows:

1. Multiply the relevant median statistic by the relevant population statistic (universe) for all block groups in the rezoning area (example: median household income * households)
2. Sum the products from the above calculation
3. Sum the relevant population statistic (universe) for all block groups in the rezoning area. Exclude values for any census blocks whose median statistic is not available.
4. Divide step 2 by step 3

This weighted average produces something similar to a true median and wherever I reference a “median” it is truly the weighted average of medians.

For the change over time statistics of the 5 boroughs and New York City as a whole, I used the same methodology as for the rezonings. This yields numbers slightly different from those available from the 1-year ACS estimates which best capture demographics in 2014. Instead of the most up-to-date numbers, I chose to use the ACS 5-year 09-13 and the weighted average method so as to make my comparisons between specific rezoning areas and the city or borough meaningful.
Appendix E

Residential Capacity Rank: Each of the 83 rezonings implemented between 2003 and 2010 are ranked according to their change in zoned residential capacity between 2002 and 2013. With 1 being the rezoning allowing the most new residential capacity and 83 the largest reduction in zoned residential capacity.
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