



# Williamsburg

## Community Development Studio

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# Introduction

- Client: New York Community Council
- Rezoning
- Development
- Commercial Change
- Industrial Change
- Displacement

# Williamsburg

## Severe disinvestment

- Waste transfer sites and sewage treatment facilities
- Deindustrialization
- Population flight
- Capital flight
- City policy

# Gentrification

Class based transformation of a neighborhood that often produces residential, cultural, and business displacement.

Williamsburg has been a prime target for gentrification.



# Geography of Gentrification

## Subway Ridership Increases (1998-2006)

- Bedford: 72%
- Lorimer: 81%





# *Sizzle*

“Williamsburg pulsates with art, culture, and nightlife. Holland Tunnel, Pierogi 2000, and Ch'i Art Space are just a few of the many galleries that command center stage in today's progressive art scene. Pete's Candy Store hosts weekly poetry readings and literary discussions. After hours, the neighborhood sizzles.”

- Halstead Property 2007

(Source: <http://schaeferlanding.com/galleries.html>)



# Income and Prices

Median income of renters

- Up 12% 1998-2004

Market-rate units

- Up 43% 1991-2005

2-4 family homes

- 3<sup>rd</sup> highest appreciation rate

# Median Household Income

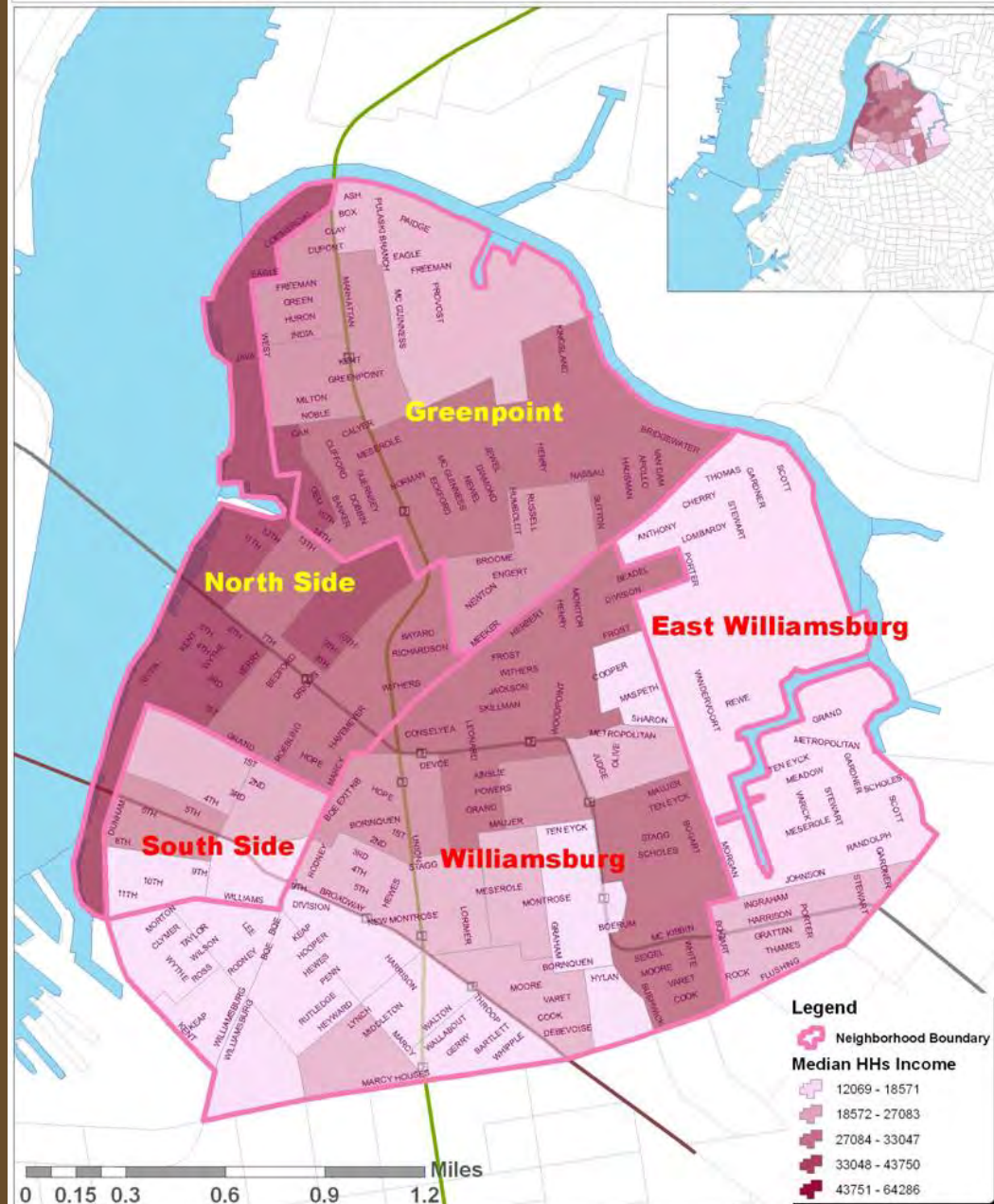
Market-rate rent: \$1,276

Income to afford market rent: \$49,840

Median income of renters: \$31,200

Sources: Kline Realty 2004; NYC Housing and Vacancy Survey 2004

## Median Household Income in 2000



Source : 2000 Census Data



# Severe Rent Burden

22% of Households

## Percentage of Rent Burden in Brooklyn CD 1 (2000)

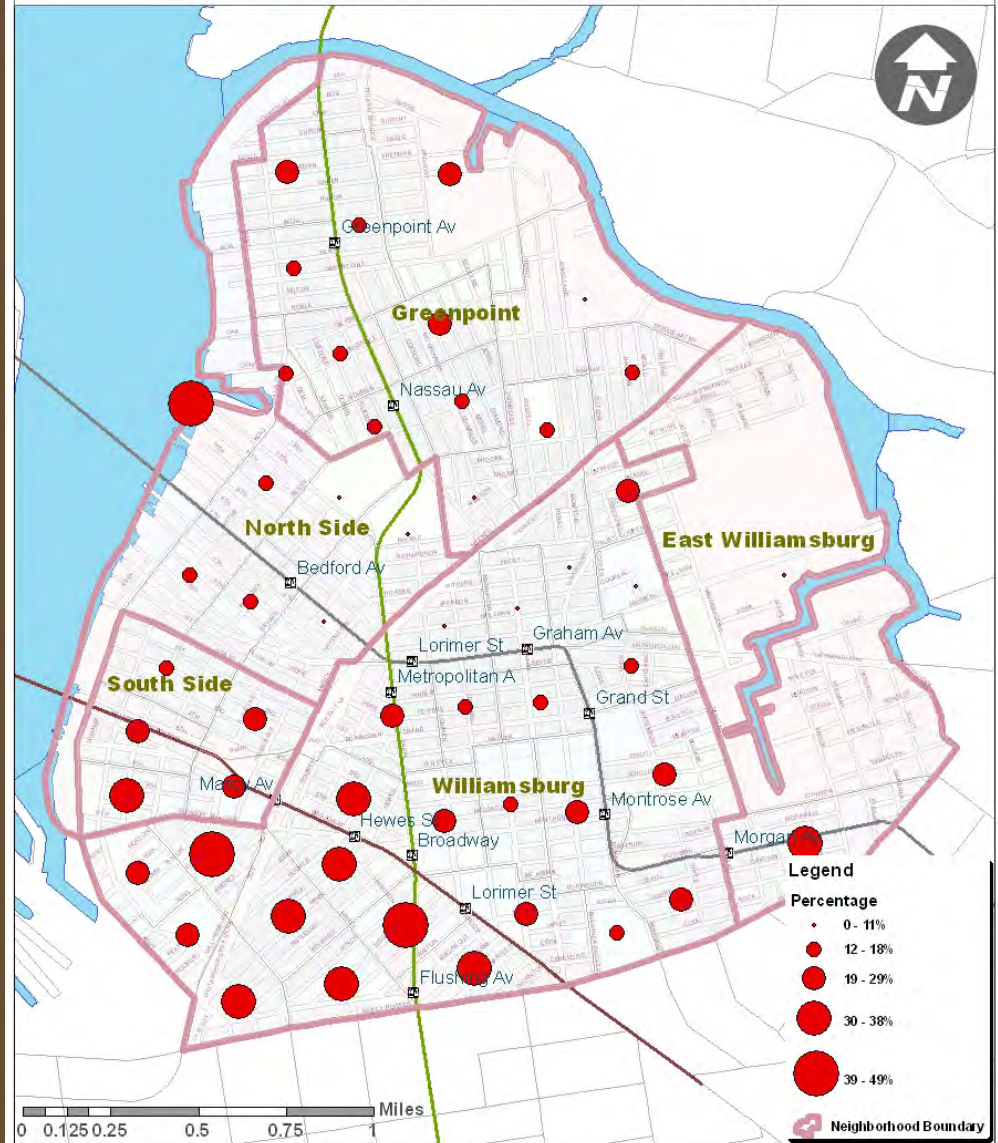


Source : 1990 & 2000 Census Data

# Overcrowding

19% of households  
with more than 1  
occupant per room

## Percentage of Crowding : Renters Brooklyn CD 1 (2000)

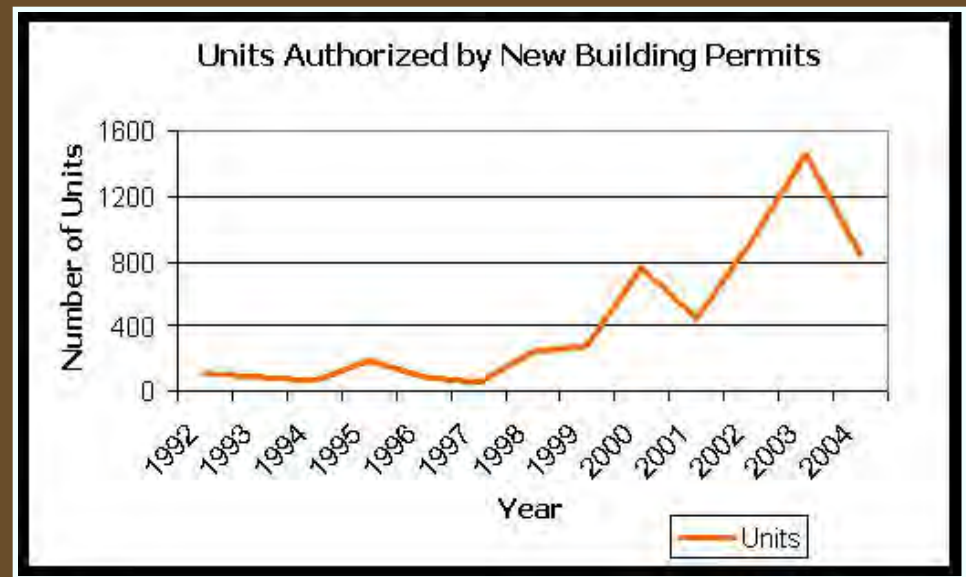


Source : Furman Center

# Residential Changes

## Building Permits Issued

- 1992-1998: 603 units
- 1999-2004: 4,695 units



(Source: NYC Dept of Buildings, Furman Center 2007)

# **The Rezoning**

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# Rezoning

- Increase housing
- Increase tax revenues
- Preserve neighborhood character upland
- Redevelop waterfront



Source: NYC Department of Planning:  
Greenpoint-Williamsburg Rezoning, 2005.  
<http://www.nyc.gov/html/dcp/html/greenpointwill/greenoverview.shtml>





Waterfront

Upland



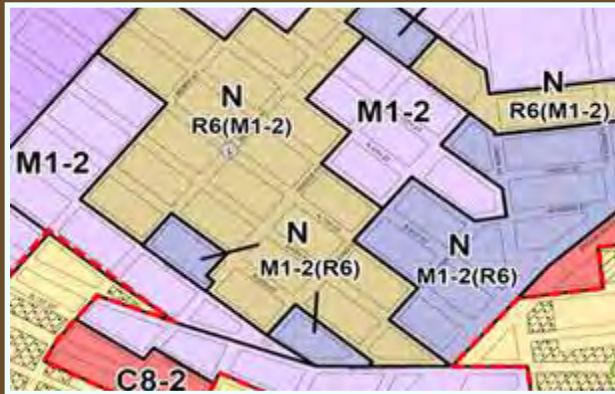
Source: <http://www.nyc.gov/html/dcp/html/greenpointwill/greenwaterdevelop1.shtml>

# Industrial to Residential



- *De facto* upzoning of the Waterfront
- Mixed-use districts now residential-only
- Industrial districts now mixed-use
- Commercial overlays

# Contextual Zoning



- Offered neighborhood protection
- Northside vs. Southside residential

# Community Struggle



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# Inclusionary Housing Zoning Bonus area

## Waterfront & Upland

Rezoning Area Map

- Upland Inclusionary Program Area
- Waterfront Inclusionary Program Area
- R6 Zoning District Boundary



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Source: [http://www.nyc.gov/html/dcp/pdf/greenpointwill/incl\\_housing\\_web.pdf](http://www.nyc.gov/html/dcp/pdf/greenpointwill/incl_housing_web.pdf)



# Waterfront FAR & Height Bonuses

## *Without Bonus*

## *With Bonus*

District	Max FAR	Max Height	Max FAR	Max Height
Blended R6/R8	3.7	150' / 230' / 300'	4.7	150' / 300' / 400'
R6	2.43	150'	2.75	150'
R8	4.88	230' / 330'	6.5	300' / 400'

# Upland FAR & Height Bonuses

## *Without Bonus*

## *With Bonus*

District	Max FAR	Max Height	Max FAR	Max Height
R6B, M1-2/R6B	2	40'	2.2	50'
R6, M1-2/R6 (narrow street)	2.2	45'	2.42	55'
R6A, M1-2/R6A R6, M1-2/R6 (wide street)	2.7	60'	3.6	70'
M1-2/R7A	3.45	65'	4.6	80'

# **Greenpoint-Williamsburg Inclusionary Zoning**

1. Affordable units can be clustered,  
on- or off-site
2. Developers can use additional subsidies
3. Preservation counts
4. 421-a exclusion zone expanded

# Anti-Harassment

- Certification of No Harassment
- Special Clinton District as model
- Tenant education on legal rights

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# Setting the Stage

- Accelerated development
- Change in scale
- Increase in land value
- Incentives for affordable housing
  - Inclusionary Zoning program
  - 421-a
  - Combined subsidies



# New Residential Developments

- Size (units, stories)
- Location
- Affordability
- Tenure
- 84 new developments



# Methods

- **NYC Department of Buildings: Building Information System**
  - <http://www.nyc.gov/html/dob/html/bis/bis.shtml>
- **NYC Department of Finance**
  - <http://webapps.nyc.gov:8084/CICS/fin1/find001I>
- **NYC Department of Housing Preservation & Development**
  - <http://www.nyc.gov/html/hpd/html/pr/pr.shtml>
- **Automated City Register Information System**
  - <http://www.nyc.gov/html/dof/html/jump/acris.shtml>
- **Developer Websites**
  - <http://www.thedevelopersgroup.com>
  - <http://www.dunndev.com>
- **The Real Deal**
  - <http://www.therealdeal.net>
- **Blogs**
  - <http://www.curbed.com>
  - <http://www.brownstoner.com>

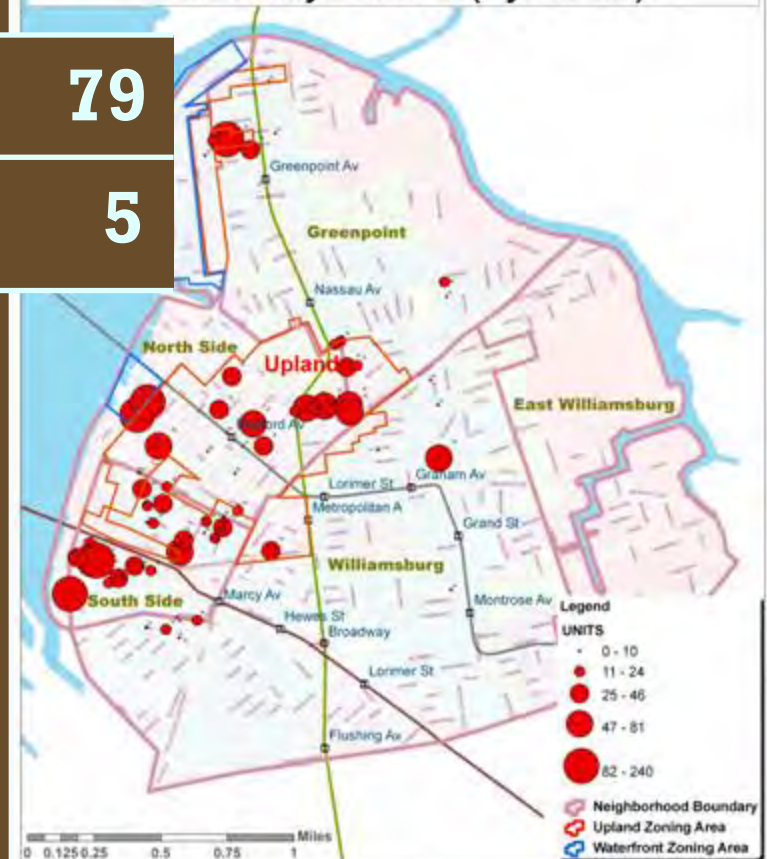
# New Residential Development Location

New Residential Development  
In Brooklyn CD 1 (by Stories)



Source : 2000 Census Data, site visits

New Residential Development  
In Brooklyn CD 1 (by Units)



Source : 2000 Census Data, site visits

<b>Upland</b>	<b>79</b>
<b>Waterfront</b>	<b>5</b>

# Tenure

	Williamsburg	Greenpoint
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Ownership	30	8
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Rental	6	0
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Ownership & Rental	2	0
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Unknown Tenure	37	1
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# Stories

	Williamsburg	Greenpoint
1-3 Stories	0	0
4-6 Stories	19	5
7-10 Stories	6	0
More Than 10 Stories	4	0
Unknown Number of Stories	46	4



# Density

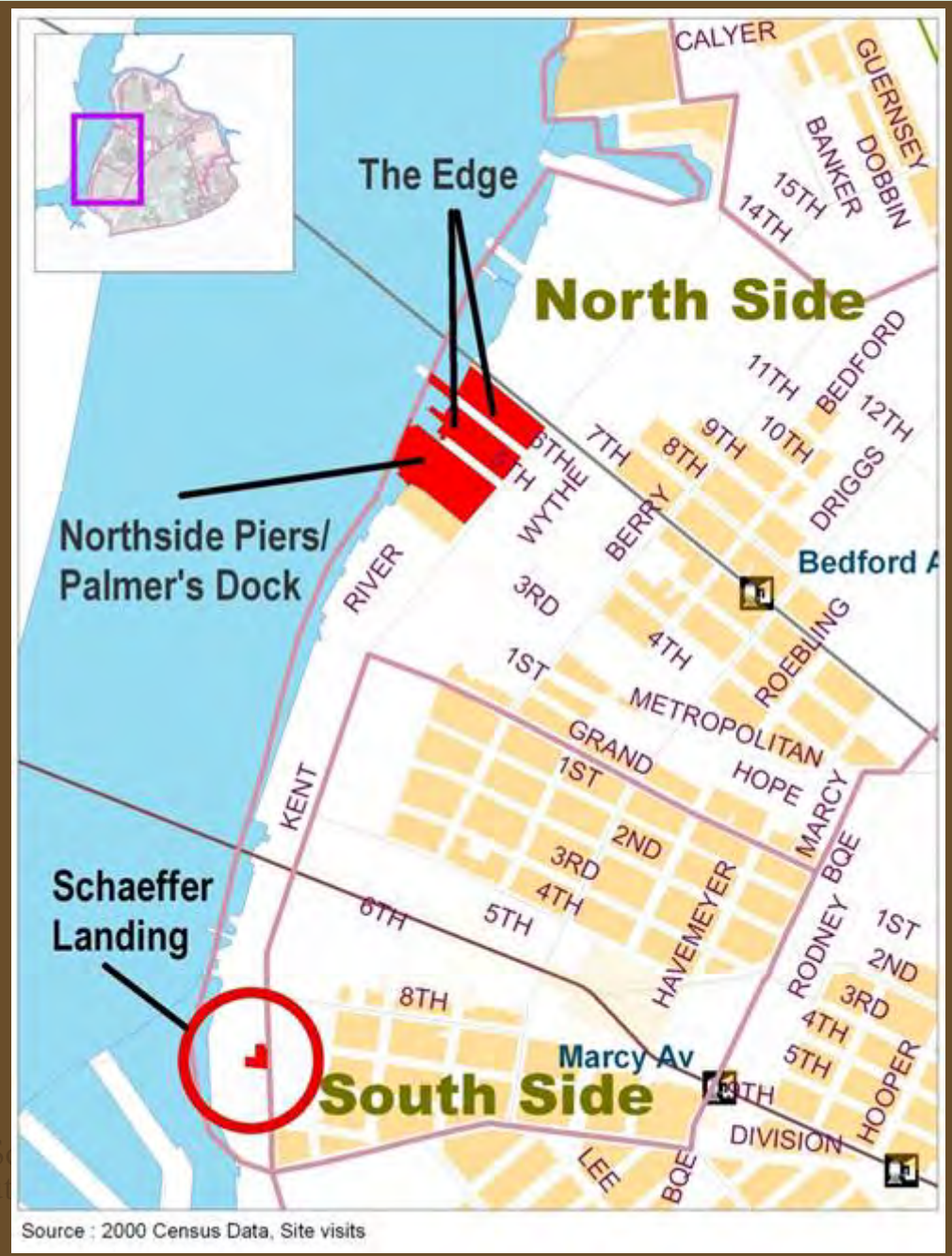
	Williamsburg	Greenpoint
1-10 Units	19	3
11-30 Units	20	4
31-50 Units	14	0
51-100 Units	8	0
More Than 100 Units	5	1
Unknown Number of Units	9	1

# The Waterfront

- The Big Three
  - Schaefer Landing
  - Northside Piers/Palmer's Dock
  - The Edge



# Location of Waterfront Developments



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# Schaefer Landing



# Schaefer Landing

- Received 421-a tax exemption, LIHTC, reduction in land cost, environmental clean-up funds
- Completed 2005
- 215 owner-occupied luxury units
- 140 affordable units renting at 60% AMI (\$37,680 for family of 4)



# Northside Piers



# **Northside Piers/Palmer's Dock**

- Will have occupancy date of October 2007
- Approximately 900 market-rate units in 3 towers
- 113 affordable units on-site and 76 affordable units off-site
- 421-a tax exemption, density bonus, HPD funds, DHCR and HPD tax credits (LIHTC)

# Palmer's Dock Affordability

Level of Affordability*	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI
Income Limit (Family of 4)	\$18,840	\$25,120	\$31,400	\$37,680	\$50,240
Number of Units	11	18	25	41	18

\*Based on 2005 AMI which was used to allow for greater affordability

# Adopted Zoning Map



Source: NYC City Planning. May 2005. [http://www.nyc.gov/html/dcp/pdf/greenpointwill/adopted\\_zoning\\_map\\_changes.pdf](http://www.nyc.gov/html/dcp/pdf/greenpointwill/adopted_zoning_map_changes.pdf)

# Northside Piers Inclusionary Bonus

	R-6 Section of Lot	R-8 Section of Lot	R-6/R-8 (Total Lot)
Lot Area	101,076	111,730	212,806
Floor Area Ratio			
Normal FAR (w/o IZ Bonus)	2.43	4.88	3.7
Maximum FAR (w/ IZ Bonus)	2.75	6.5	4.7
Maximum Permitted Floor Area (w/ IZ Bonus)	277,959	726,245	1,004,204
Proposed Floor Area	135,000	869,000	1,004,000
<b>Northside Piers FAR, R-6/R-8</b>			<b>4.7</b>











# The Edge

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Source: The Gowanus Lounge. 2007. <http://gowanuslounge.blogspot.com/2007/01/edge-visits-williamsburg-waterfront.html>.



# The Edge

- Construction loan approved March 2007; completion date unknown
- 892 market rate units in 4 buildings
- Do not know number of affordable units (will be 20-25% of market rate unit number)
- Likely taking 421-a exemption and plans to take inclusionary housing bonus

# Inclusionary Housing Bonus

## The Edge

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	Floor Area
Without IZ Bonus	1,158,957
With IZ Bonus	1,485,859
Proposed	1,455,858

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# Upland

- Disincentives to build affordable units
  - 421-a As-of-Right
  - Small lot sizes
  - Contextual zoning requirements





# The City's Promise

- Total commitment is 3,548
- Reported as of March 2007
  - Waterfront new construction – 459
  - Upland preservation – 237
  - Upland new construction – 9
  - Public sites – 840
  - “Two waterfront developers” – 500
  - Total – 2,045
  - 57% of goal completed



# **Inclusionary Units Identified in Our Study**

Waterfront: 309 units

Palmer's Dock – 113

The Edge – ~196

Upland: 9 units

New construction

# **Units on Public Sites Identified in Our Study**

Upland: 152

New construction

**Total – 470**

# Points to Remember

- Inclusionary zoning is producing affordable housing
- Deep subsidies are needed
- Slow to come
- Significant resources for preservation
- City-owned land running out

# Commercial Change in Greenpoint-Williamsburg



# Overview

- Change in community character
- Change in affordability (goods, services and real estate)
- Change in types of businesses
- Change in land use
- Creation of public spaces
- Creation of new street activity

# Commercial Change Methods

- Commercial corridors and scattered sites
- Neighborhood canvassing
- History of commercial properties
- Historical and current market and assessed values

# **Commercial Finding #1: Increase in Commercial Use**

- Restaurants, cafes, galleries and stores increasingly dominate the landscape
  - Displacement of industrial & residential
    - Of 261 current commercial businesses, 30 had an industrial use in 1971
  - Strengthened commercial corridors
    - Less vacancies, industrial listings and residential listings on Bedford Avenue since the creation of the C1-4 commercial overlay zone



# Commercial Finding #2: Increase in Upscale Commercial

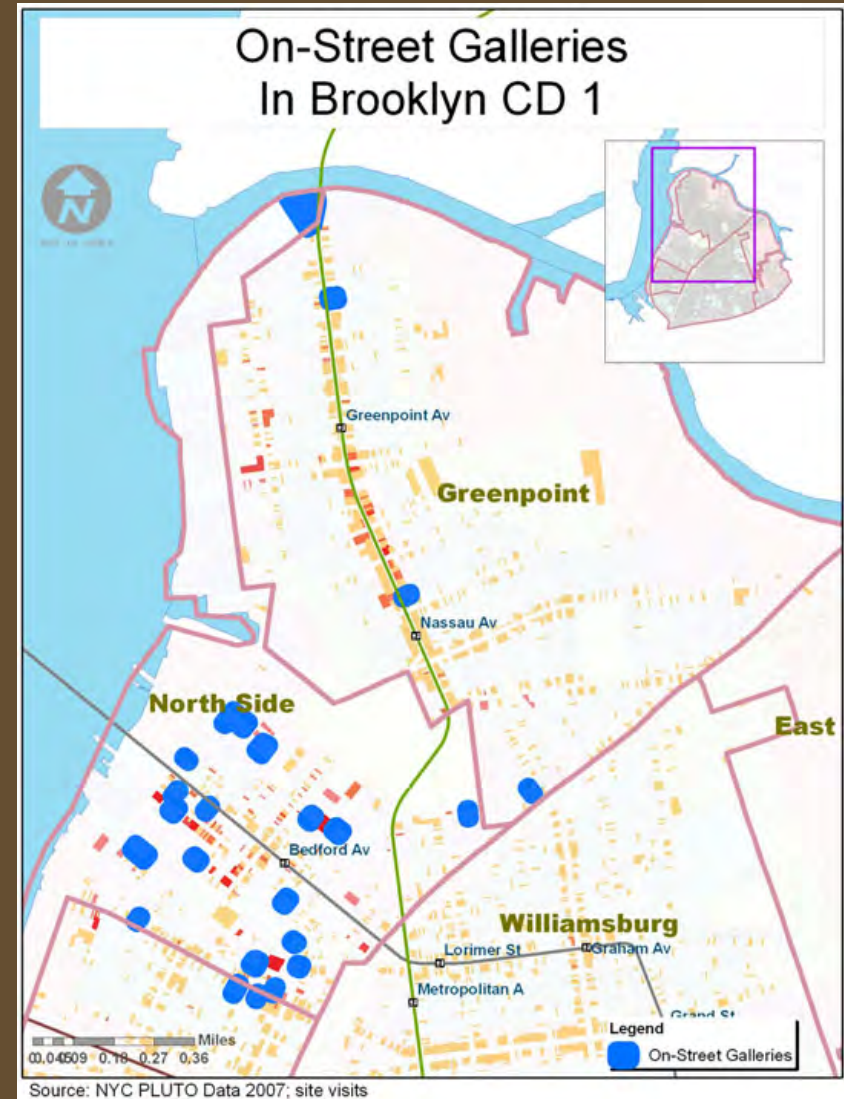
- Identification of a sample of 192 “culturally-exclusive amenities”

*i.e. boutiques, new realtors, galleries, restaurants, clubs, yoga studios, cafes, tattoo parlors, designer furniture stores, “chains,” organic groceries . . .*



# Upscaling Commercial: Art Scene

Of 24 galleries  
identified in our site  
visits, only 4 of them  
were listed in the  
1990s



# Upscaling Commercial: Boutiques

Of 36 furnishing & clothing stores identified in our site visit, only 9 were listed in 2003



# Upscaling Commercial: Nightlife

Of 53 restaurants,  
bars and clubs  
identified in our site  
visit only 9 listed in  
2003



# **Commercial Finding #3: Decrease in Affordability**

- Two main factors driving change in type of commercial establishment:
  - Preferences
    - Wealthier residents demand more expensive/higher quality/different goods/services
  - Real estate prices
    - Greater market values = higher rents
    - Bedford Ave Corridor: up 224% over 4 years
    - Graham Ave Corridor: up 158% over 4 years



# Commercial Finding #4: Increased Activity

- **Busier street life**
  - “eyes on the street”
  - **Perception of safety**





# **Effects of Gentrification and Rezoning: Industrial and Residential Displacement**

- \* What are the effects on firms and people as residential prices rise in Greenpoint-Williamsburg?**

**The study of displacement asked:**

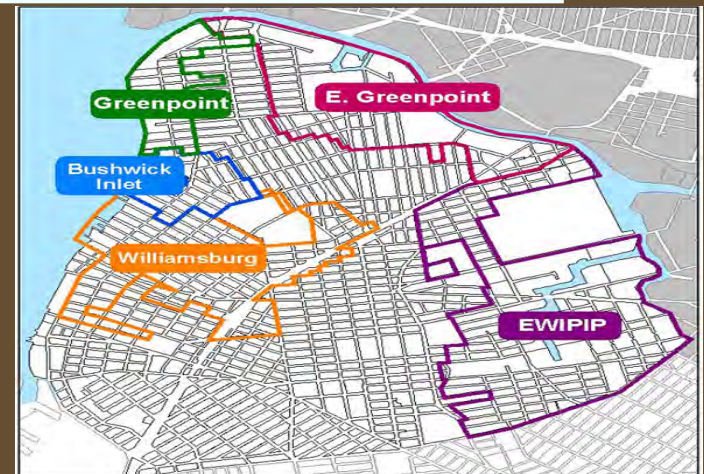
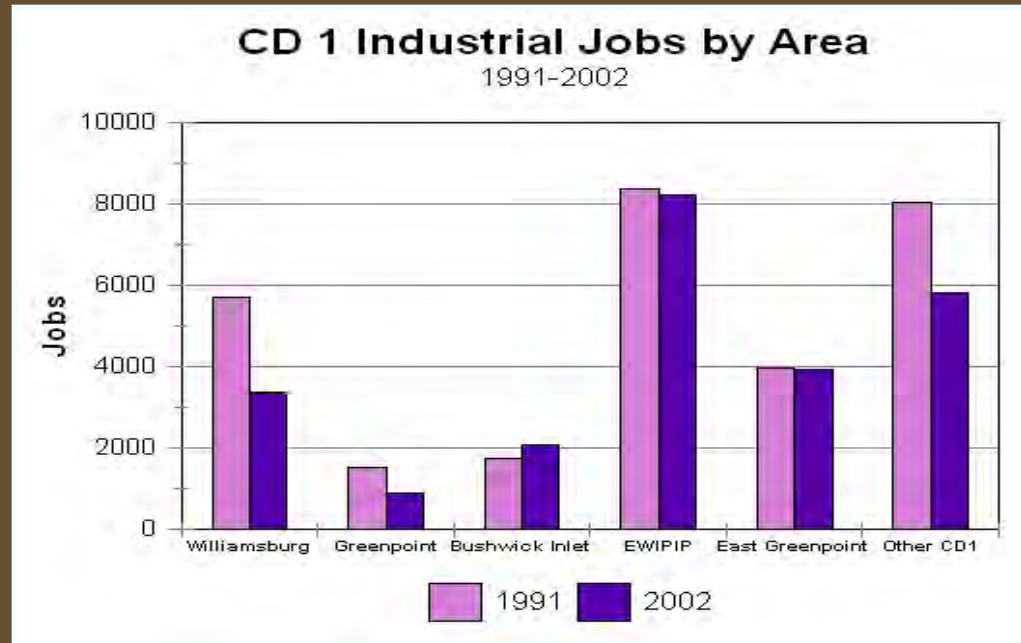
**What or who is displaced?**

**How does it occur?**

**What are the implications of displacement?**

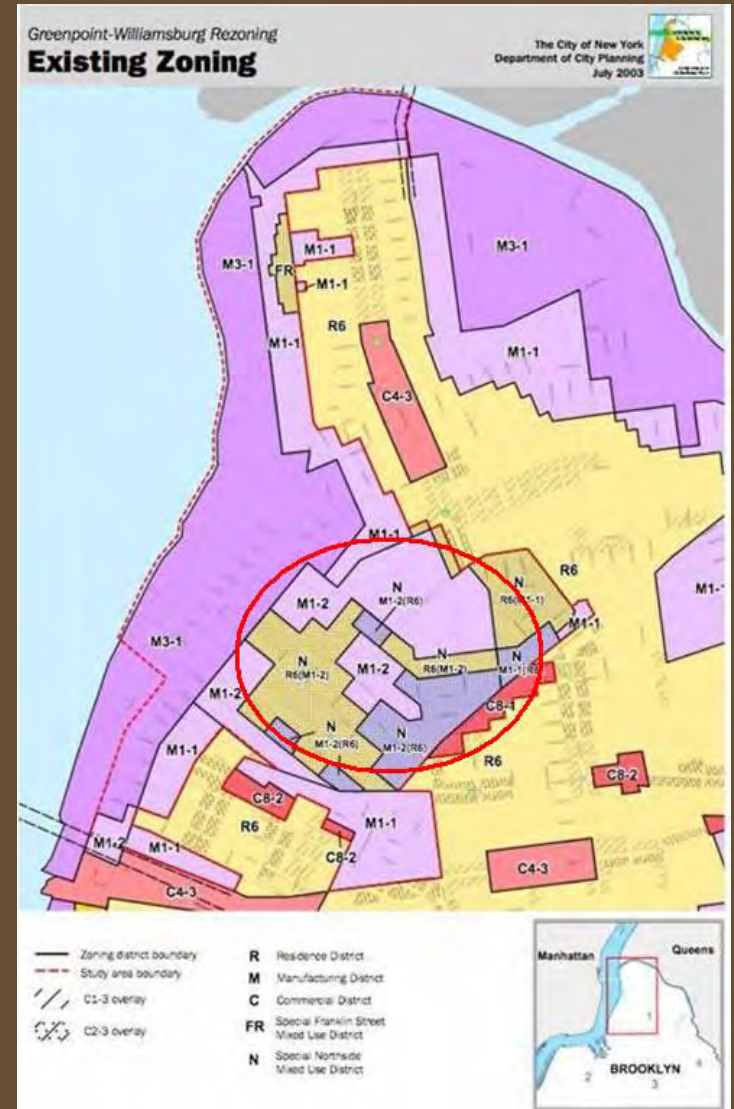
# Industrial Displacement

- NYC's 230,000 industrial jobs are in manufacture, warehousing, transportation, utilities and others (Freidman, 2007)
- 2002: There were and estimated 4000 industrial jobs in Greenpoint-Williamsburg (NYC Planning)



# Industrial Displacement

- Reflects the tradition of Greenpoint-Williamsburg being a manufacturing center
- Northside district allows a mix of uses based on permits
- Firms existed among residents in many mixed neighborhoods



# Industrial Displacement

Industrial firms were and are threatened by:

- Residential price speculation
- Legal residential conversion
- Illegal residential conversion
- The simplicity of acquiring a variance from Board of Standards and Appeals
- Lack of zoning enforcement

The city estimated around 100 non-residential buildings contained residential uses in 2005



# Industrial Displacement

## Case study: 184 Kent

- Had illegal residential uses prior to 2000
- Owner got a variance in 2000 to develop \$3,500 studios
- Firms within employed 90 people
- Potential industrial tenants were shunned
- In 2004, city council votes down second variance to make structural changes, but also votes down landmark designation status

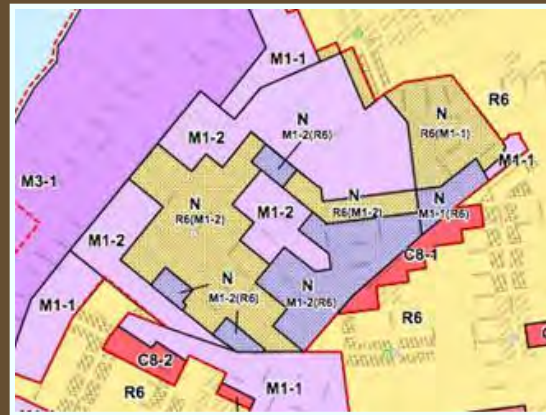
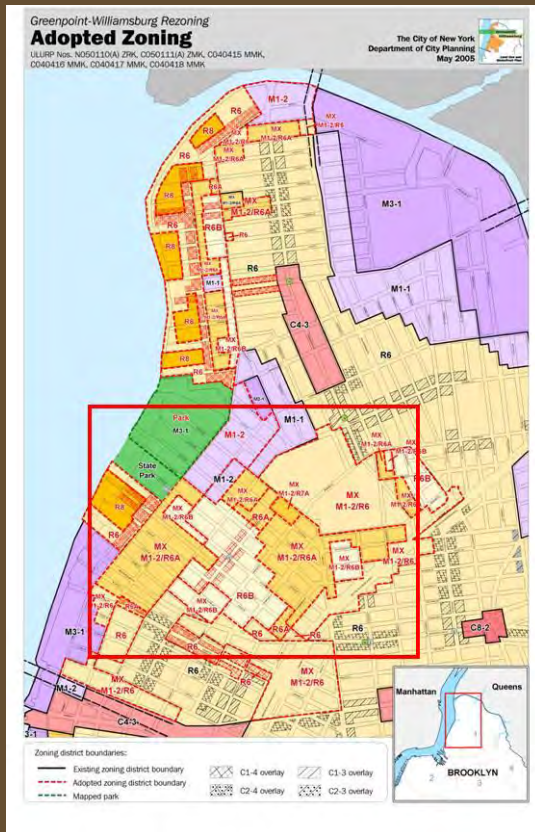


Source: Curbed.com "184 Kent: The Morning After The Morning After" [http://www.curbed.com/archives/2005/12/02/184\\_kent\\_the\\_morning\\_after\\_the\\_morning\\_after.php](http://www.curbed.com/archives/2005/12/02/184_kent_the_morning_after_the_morning_after.php)

(Bowles, 2000 & Historic Districts Council, 2004)



# Industrial Displacement



Old Northside and M Zones around Bedford





# Industrial Displacement

Production workers: 78%  
people of color, 63% immigrant

(Freidman, 2007)

## A NYC Jobs Comparison

Sectors	Manufacturing	Retail	Restaurant
% with Benefits	63	38	18
2000 Wages	35,700	27,700	19,400
2005 Wages	48,300	32,700	21,700
% Change	35.3	18.0	11.9

Sources: Freidman, A. 2007. Manufacturing, Jobs, Wealth and the Middle Class. New York Industrial Retention Network.

# Industrial Displacement

- Industrial Business Zones (IBZ) are supposed to act as havens for industry, but industrial advocates judge them insufficient
- Industrial Employment Zones (IEZ), a suggested alternative, are considered too stringent by City Planning
- IEZ would prevent dislocation better than IBZ

## Industrial Employment Districts Would Strengthen the Mayor's Industrial Policy With Zoning

The Mayor has laid down policy guidelines on industrial areas that do not have the force of zoning.

	Industrial Employment Districts	Mayor's Industrial Business Zones
Uses zoning to protect jobs over the long-term and stabilize neighborhood investment	✓	
Provides opportunity for community input	✓	
Has defined enforcement mechanisms	✓	
Promotes compatible commercial and industrial development	✓	
Restricts residential uses	✓	✓
Restricts incompatible, destabilizing uses such as superstores, power plants, and community facilities as-of-right	✓	
Provides a special permit process for non-conforming development in cases where it may be compatible	✓	

# Residential Displacement

- Housing cost increases
- Demolition for new construction
- Structural damage caused by new construction
- Landlord actions in regulated housing
- Tenant harassment

# Housing Price Increases

- Increasing rents
- Assessment increases = higher property taxes
- Exclusionary displacement

# Structural Damage



# Harassment

- Refusal to make necessary repairs for existing residents
- Improvements made once all residents are removed
- Meritless lawsuits
- Illegal holdovers
- Nuisance claims



# Rent Regulated Units

- Strategic use of New York City rent stabilization laws
- Rent can be increased for purposes approved by the local rent board
- Unit destabilized once >\$2,000/month

# Who is Displaced?

- Artists
- Large families
- Elderly
- Immigrants

# Recent Immigrants

- Language barriers
- Overcrowding
- Breakdown of community networks

# Conclusion

- The IZ program is creating very affordable housing units on the waterfront with significant subsidy
- Luxury development in the upland has exploded
- New commercial activity creates some benefits but can be a disservice to existing residents
- Industrial and residential displacement
- Rezoning Citywide may have similar implications for other neighborhoods

# ***Future Research***

- *With IZ, how much additional subsidy is needed?*
- *Can IZ work without public sites?*
- *Is 421-a another challenge?*