

# What Is Mandatory Inclusionary Housing?

The mayor’s new Mandatory Inclusionary Housing (MIH) policy allows developers to build larger buildings in some neighborhoods, but requires parts of those buildings to be set aside as “affordable” housing.

So how does it work? There are two parts to look out for:

- (1) what percentage of each building is affordable, and
- (2) who can afford to live there.

This guide can help you understand how it all works so you can be involved in these important decisions impacting your neighborhood.

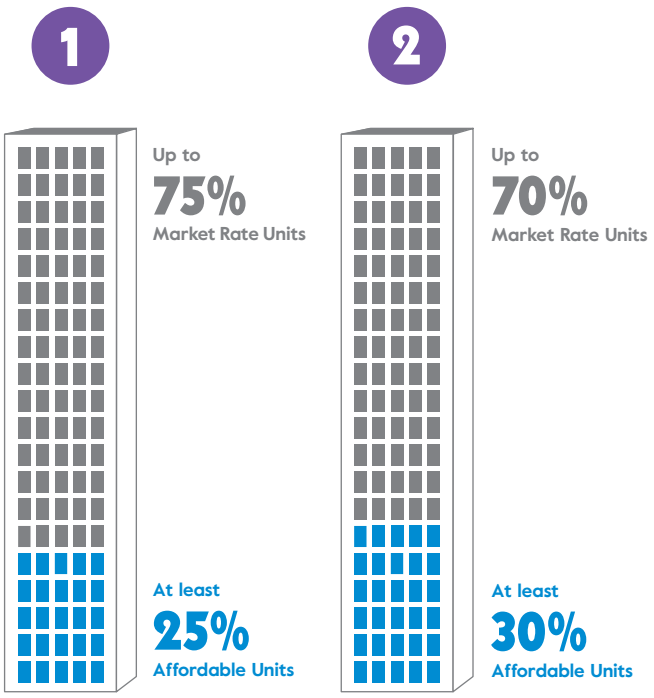


## What percentage of new construction will be affordable?

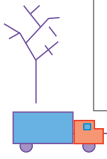
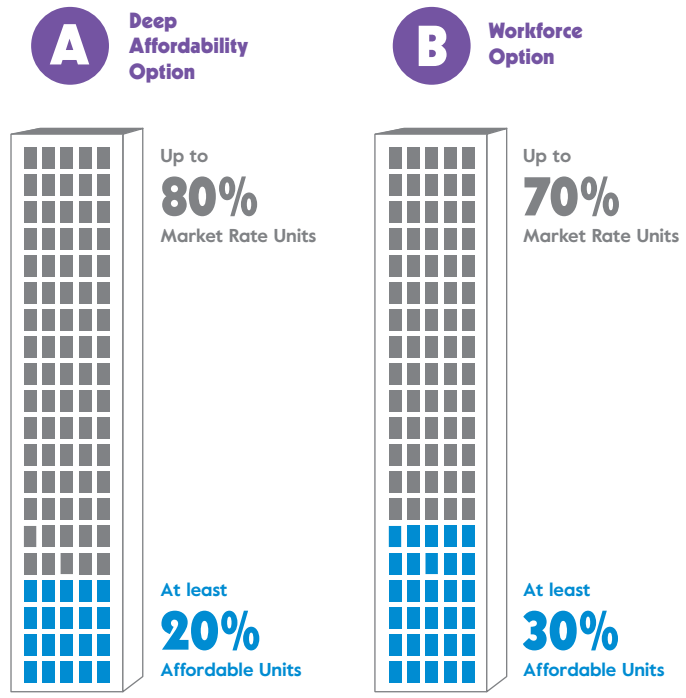
New buildings in MIH zones have to set aside between 20% to 30% of the housing units as affordable. There are four different options. No matter what though, there will be three to four times as many market rate units as affordable units.

The four examples below show a building with 100 units. But MIH applies to all new buildings with 10 or more units in an MIH zone. See the back to learn more about where it applies.

### Main Options



### Additional Options



# Who can afford to live in the new housing?

The second part of MIH is who the affordable housing is for. Each of the four options is targeted to families at different income levels.

Unlike past programs, MIH is unusual in that it doesn't tell developers exactly what kinds of units to build. It lets them decide what income levels to target within a range, as long as the total income levels of all the affordable units average to a certain amount. The four MIH options vary between 40% and 115% of Area Median Income — a pretty big range.

Here's what that means...

Income levels are calculated as a percentage of the New York City region's Area Median Income (AMI), which is \$90,600 for a family of four (in 2016). The purple line above represents 130-135% of AMI, which is the most a family can make, and still qualify for an affordable unit in each of the four MIH options.

## Market Rate Unit

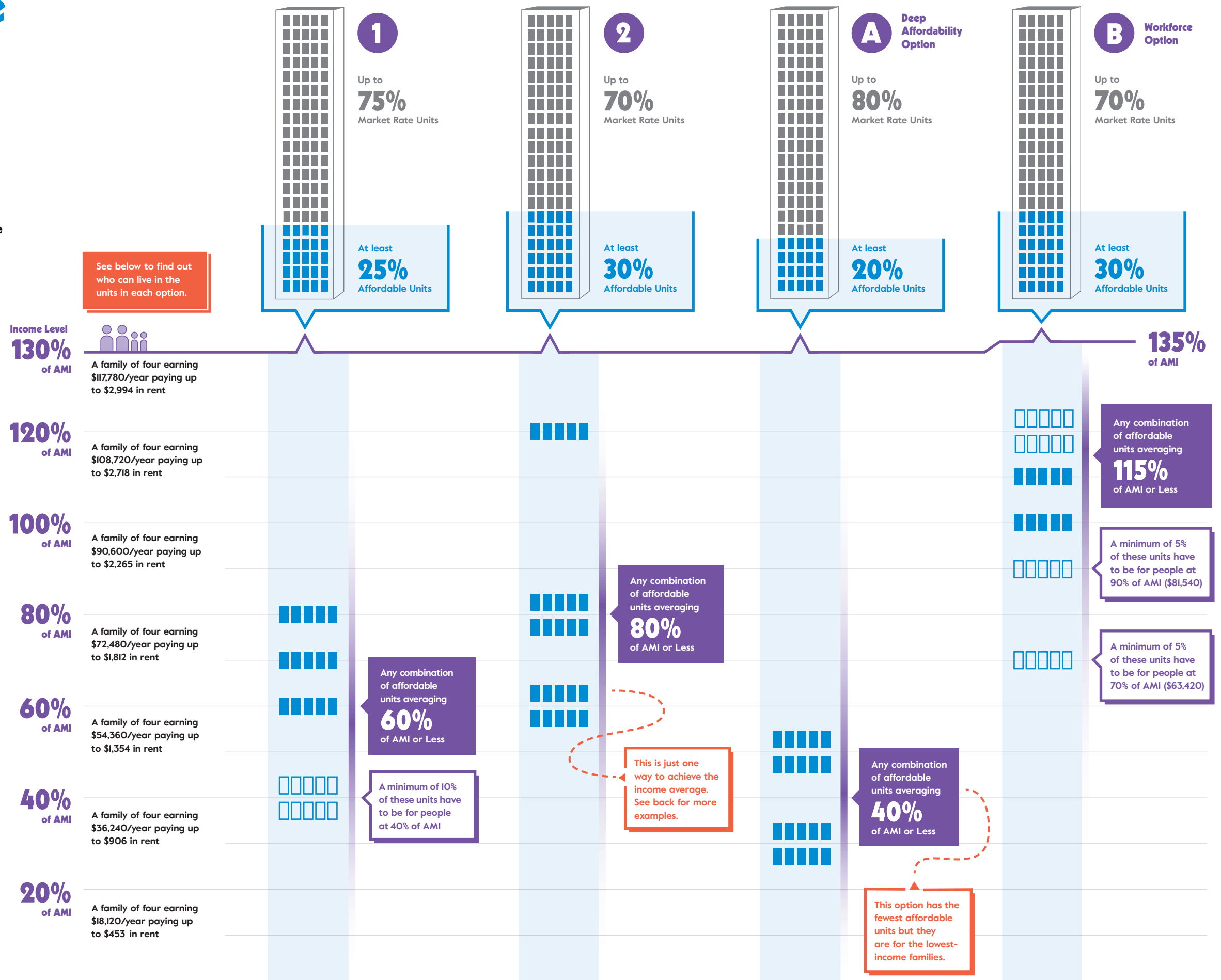
Can mean many things; it's not defined by law, and basically means "as much as people are willing to pay." The income from these higher income units helps offset the cost of providing the lower rent, affordable units.

## Affordable Unit

Affordable units are ones that have their maximum rent capped at a certain amount, to make them available to people at certain income levels. In the MIH program, affordable units can be for families earning as much as 130-135% of the Area Median Income.

## Required Unit

In some MIH options, there are additional requirements for units at particular income levels.

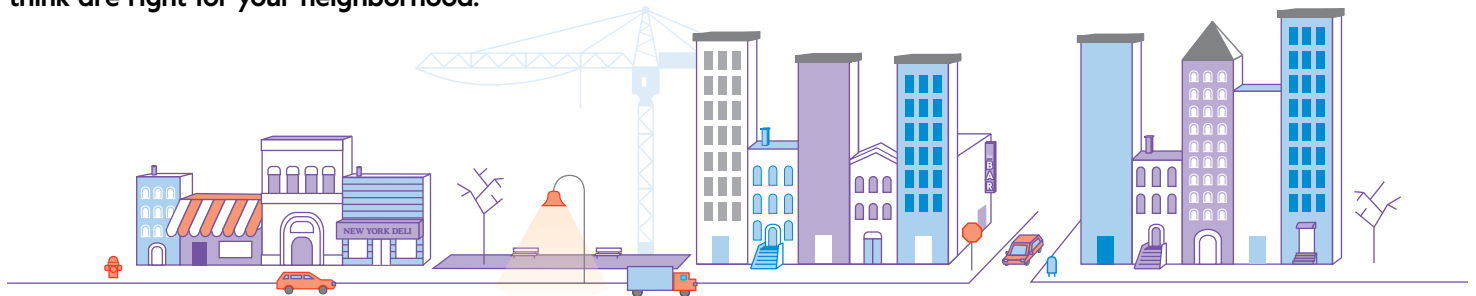


# Where does MIH apply?

The city's zoning laws control what can be built in different neighborhoods. When the city changes (or rezones) a site or neighborhood's zoning to allow bigger residential buildings, MIH becomes an option there. Usually, the Department of City Planning will propose the rezoning and it will go through the Uniform Land Use Review Procedure (ULURP).

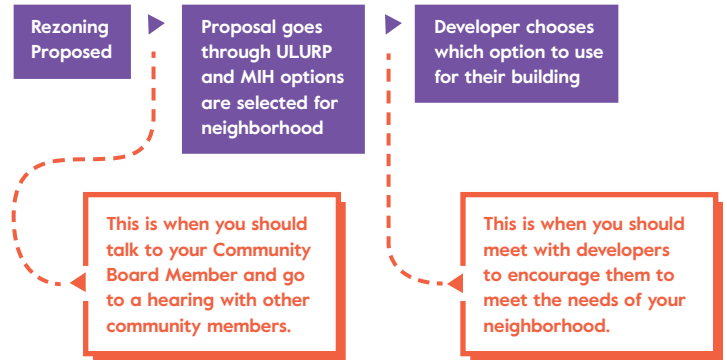
This is when the options that apply to your neighborhood will be chosen. There are four options, and anywhere from one to all four can apply in a particular neighborhood — 1 and 2 can apply anywhere, and A and B can apply in addition to 1 and/or 2, but not on their own.

The best way to have a say in which options are chosen is to talk to your Community Board and City Council Member and go to the City Planning Commission hearing with other members of your community to advocate for the options that you think are right for your neighborhood.



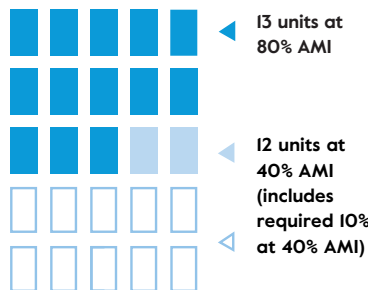
# When do MIH options apply?

Once the options are established in the zoning, the developer chooses which one to apply in a particular building, and how to set the income levels for the different affordable units to meet the income average requirement. This is a private decision but you can try to meet with the developers to encourage them to be responsive to neighborhood needs.

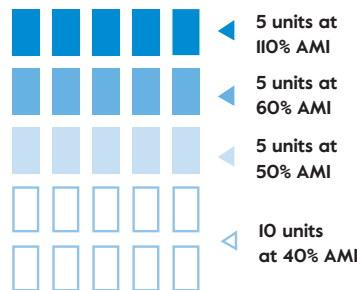


# How are the averages calculated?

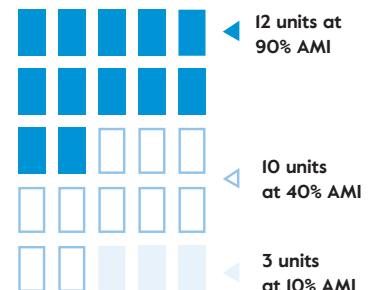
Here are some ways a developer could build 25 affordable units under Option 1 and meet the requirement of an average of 60% of AMI (while making sure to meet the requirement to make 10% of the total units affordable at 40% of AMI).



$$\frac{(13 \times 80\%) + (12 \times 40\%)}{25} = 60\%$$



$$\frac{(5 \times 110\%) + (5 \times 60\%) + (5 \times 50\%) + (10 \times 40\%)}{25} = 60\%$$



$$\frac{(12 \times 90\%) + (10 \times 40\%) + (3 \times 10\%)}{25} = 60\%$$



The Center for Urban Pedagogy (CUP) is a nonprofit organization that uses the power of design and art to increase meaningful civic engagement.

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