HOUSING THE HOMELESS

Booming Cities Address the Growing Crisis on Their Streets

By Kathleen McCormick

Huge cranes loom over downtown Los Angeles, and the streets are filled with the sounds of construction as gleaming new mixed-use buildings, luxury apartments, and office towers take shape. It would seem to be a sure sign of a city on the rise—except that those streets are also filled with people sleeping on the sidewalks, some in brightly colored tents, some sprawled on the pavement.

What has happened to cause so many homeless people—more than 34,000—to become part of the streetscape in this happening city? Why is it that, in a period of strong economic growth, LA and so many other U.S. cities are trying to cope with a homelessness crisis some have called the worst since the Great Depression? This is true especially for "thriving" hot-market cities, where a combination of skyrocketing housing costs, slow income growth, and a lack of housing options has increasingly led people seeking shelter to make use of common spaces like parks and public squares.

As cities create plans to deal with the urgent day-to-day needs of trying to shelter people and provide emergency health care and law-enforcement services, planners are also collaborating with their colleagues in housing and social services on logical longer-term approaches. Last fall, at the Big City Planning Directors Institute in Cambridge, Massachusetts—hosted by the Lincoln Institute of Land Policy, the Harvard Graduate School of Design, and the American Planning Association—many planning directors said rising homelessness has complicated agendas and budgets, particularly in cities where economic inequality has deepened in recent years. They were eager to learn what other cities were doing to address this issue.

The answer to that question is as complicated as the crisis itself. While some cities are investing heavily to expand the number of traditional shelter beds they provide, others are trying new approaches, from converting motels in Los Angeles to building tiny home communities in Seattle to encouraging unusual public-private partnerships in New York City. No city has found the perfect solution, but some are making significant—and instructive—progress.

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Downtown Los Angeles.
Credit: Stellalevi via iStock/Getty.

How Did We Get Here?

During a one-night count carried out across the nation in January 2017, 553,742 people in the United States were experiencing homelessness, according to the U.S. Department of Housing and Urban Development (HUD). Of those, about a third were families including children. More than 40,000 of the people counted were unaccompanied children and young adults, and another 40,000 were veterans. Thirty-five percent of the total number of people counted were "unsheltered," meaning they were living outside with no access to emergency shelters, transitional housing, or safe havens (USDHUD 2017).

Overall, homelessness is declining—it has gone down 13 percent since 2010—but last January's point-in-time count revealed something significant: For the first time in seven years, the number of people counted rose compared to the prior year, by 0.7 percent. And according to HUD, nearly all of that increase occurred in cities.

Everyone experiencing homelessness has their own story of how they ended up on the street, whether due to poverty, job loss, eviction, gentrification, dom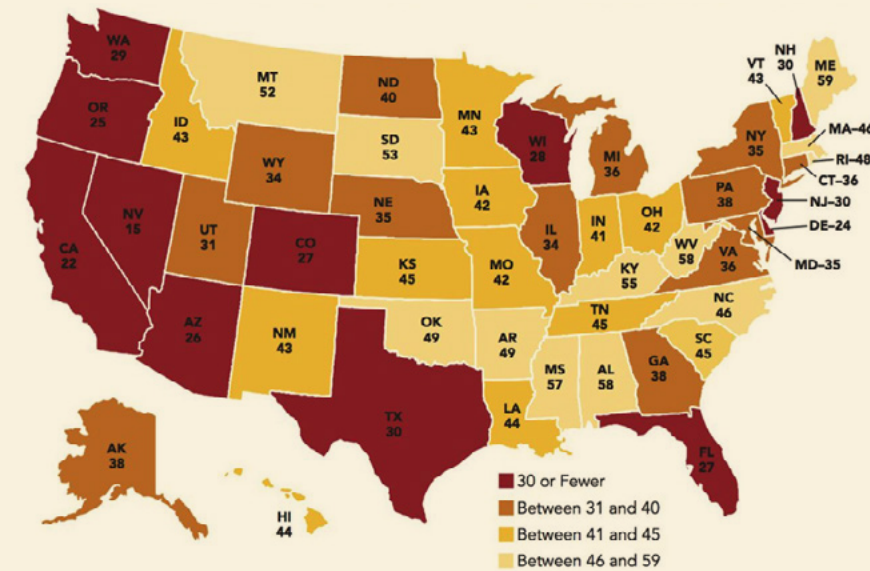estic violence, drug addiction, medical bills, or any number of other reasons. Race—and inequities in the way services are provided—is also a factor, according to the National Alliance to End Homelessness; African-Americans, for example, make up 13 percent of the general population but more than 40 percent of the homeless population.

A generation or two ago, fewer people ended up homeless—in part because cities offered more diversity in low-cost housing. Common options then included rooming houses, "granny flats" or in-law units, homes where families could legally "double up," and single-room-occupancy (SRO) apartments. These options generally disappeared with urban renewal, neighborhood redevelopment that brought higher-priced housing, and zoning that favored occupancy limits.

"One of the things that led to a dramatic increase in homelessness in the 1980s was cities getting rid of things like SRO housing," says Alan Mallach of the Center for Community Progress. Mallach, a former city planner who has written policy reports for the Lincoln Institute on vacant properties (Mallach 2018) and legacy cities (Mallach 2013), says some places are beginning to consider reinstating that type of housing. In

Los Angeles, for example, a nonprofit called SRO Housing Corporation has created dwellings for more than 2,000 formerly homeless people and has 400 homes under development.

Mallach cautions that even "affordable housing" is often unaffordable in booming cities, because the rent is typically based on a percentage of area median income (AMI). As incomes increase, so do the rents that are pegged to them. The main reason people become homeless today, according to the National Alliance to End Homelessness, is because they cannot find housing they can afford (figure 1).

In 2017, 8 of the 10 states with the highest median housing costs also had the highest rates of homelessness, according to San Francisco–based data analysis company The DataFace (figure 2). Since the Great Recession, trends contributing to a lack of affordable housing have included rising costs for land, construction, and maintenance; tighter financing for home builders; and a surge of interest in urban living, resulting in construction of mostly higher-end housing in city cores.

At the same time, new construction has not kept pace with job growth. Analyzing federal data on building permits and employment, a July 2017 report by Apartment List found that only 10 of the nation's 50 largest metro areas had produced enough new housing to support an influx of workers (Salviati 2017). San Francisco, for example, built just one new home for every 6.8 new jobs from 2010 to 2015. Especially in tech hubs, new job creation has stoked a demand for housing, and rent prices have lit up with the lack of supply. San Jose, which had the largest undersupply of new construction among the 50 largest metro areas, also had the most rent growth: 57 percent, according to the report.

A homeless encampment on a street in downtown Los Angeles. In the background stands the Rosslyn Hotel, one of thirty affordable-housing properties managed by the SRO Housing Corporation for homeless and low-income individuals. Credit: Peeter Viisimaa via iStock/Getty.

Figure 1

Rental Homes Affordable and Available per 100 Extremely Low-Income (ELI) Renter Households by State

Note: Extremely low-income (ELI) renter households have incomes at or below the poverty level of 30% of the area median income. Source: NLIHC tabulations of 2016 ACS PUMS Data. Copyright: 2018 National Low Income Housing Coalition.

Figure 2

Homelessness Is More Acute Where Housing is Expensive
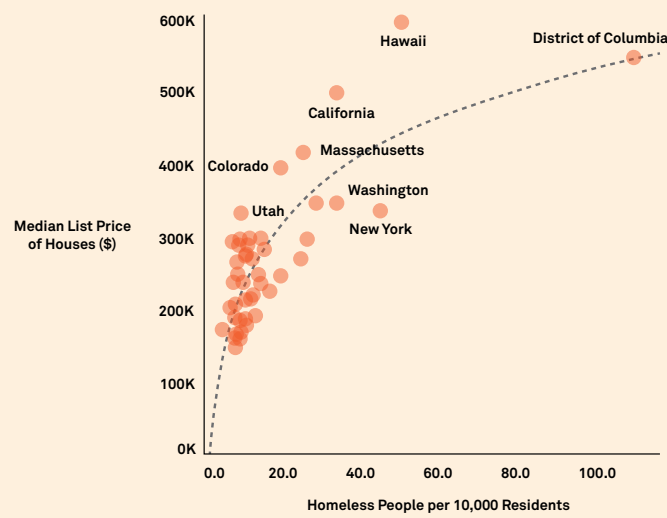
As of 2017, 8 of the 10 states with the highest rate of homelessness are also among the 10 most expensive states by median price of housing. Utah and Connecticut are the only states that fall within the top 10 that have a below-average homelessness rate.

Note: Homeless counts are point-in-time estimates collected on a single night by HUD. Data downloaded from hudexchange.info. State population counts downloaded from Census.gov. Median listing house prices downloaded from Zillow.com.

Source: The Dataface. http://thedataface.com/2018/01/public-health/american-homelessness.

Federal Constraints, Local Innovations

This confluence of factors has created a startling reality: According to a recent report from the National Low-Income Housing Coalition, eight million Americans pay more than half their income on rent, a larger percentage of the growing rental population is extremely low-income renters, and the nation has a shortage of 7.2 million affordable rental units (NLIHC 2018).

HUD funding for homeless services reached record levels last year. HUD's housing programs serve over one million people each year, and HUD provides housing subsidies to about 4.7 million very low-income households, which represents about 80 percent of its total budget. But changes are afoot: The President's proposed FY19 budget included $8.8 billion in HUD cuts, though the Senate and House appropriations committees both rejected the cuts and voted for increased funding over 2018. Final votes could be delayed until after the November elections, according to the Center on Budget and Policy Priorities, a Washington, DC–based nonpartisan research and policy institute focused on reducing poverty and inequality. Meanwhile, the 2017 federal tax bill

significantly reduced the value of the low-income housing tax credit, a source of long-term funding for affordable housing. According to analysis published in the *New York Times*, that could mean nearly 235,000 fewer apartments built over the next decade (Dougherty 2018).

With so much uncertainty at the federal level, cities are finding—and financing—their own ways forward. Increasingly, that means moving beyond stopgap measures to provide more permanent affordable housing, said Steve Berg, vice president for programs and policy at the National Alliance to End Homelessness. These longer-term policies, he said, should ensure investment of public dollars to "fix the larger affordable housing problem."

"Housing first" is a strategy that essentially bypasses shelters and seeks to place people directly into affordable housing with support services. Research has found housing first to effectively alleviate homelessness for families experiencing temporary lack of shelter, for chronically homeless individuals, and for those with substance abuse and mental health issues. Although this approach can cost more, advocates say that by creating permanent housing, cities ultimately spend less on shelters and emergency services.

Los Angeles Bets on Motels and Municipal Bonds

A surge in homelessness in Los Angeles and other West Coast cities with severe affordable housing shortages was almost entirely responsible for last year's national uptick in the number of homeless individuals, said HUD officials. In 2017, LA gained 42,470 new residents and hit the four million population mark; its homeless population spiked 20 percent to 34,189, with a total of 55,188 in Los Angeles County, according to HUD (USDHUD 2017). A one-night count in January 2018 conducted by the Los Angeles Homeless Services Authority showed the city's homeless count had declined 6 percent, to 31,285, with 22,887 of those people unsheltered. While HUD requires cities to count their total homeless population every other year, LA—second only to New York in the size of its homeless population—elects to conduct an annual tally.

In April 2018, the LA City Council declared an emergency shelter crisis, clearing the way for Mayor Eric Garcetti's plan to fund $20 million for new emergency shelters. His 2018–2019 budget, approved by the city council in May, will invest more than $442 million in permanent housing, temporary shelters, services, and facilities. Garcetti's A Bridge Home plan is setting up temporary shelters on city parking lots or vacant city-leased lots across LA. Tents, trailers, and other structures will temporarily shelter as many as 100 individuals at each site—potentially 6,000 people per year who are awaiting permanent housing.

Beyond emergency shelters, the city is using funds from Measure HHH, a ballot initiative that three-quarters of LA voters passed in November 2016, committing the city to raising $1.2 billion in bonds for construction of 10,000 units of permanently affordable housing in the next decade. The city will spend more than $238 million of HHH funding this year to build 1,500 new homes at 24 project sites. In April, the city council approved two additional programs to support the effort to increase the city's affordable housing base: one streamlines the development process for projects that include supportive affordable housing, and another allows LA's 10,000 motel rooms, many of them old and in poor shape, to be converted into affordable housing with supportive services. Finally, in one of the more creative approaches to both homelessness and land use, the city has launched a pilot program that offers financial support to homeowners in some single-family neighborhoods who agree to build or upgrade small dwellings in their backyards for the purpose of housing people who don't have homes.

Los Angeles Mayor Eric Garcetti, third from left, at the 2017 ribbon-cutting for Silver Star Apartments, a 49-unit development for homeless veterans. The project was funded in part by Measure HHH, a voter-backed initiative that committed $1.2 billion in bonds to build 10,000 units of permanently affordable housing over 10 years. Credit: County of Los Angeles.

The Bread of Life Mission, a traditional, faith-based shelter in downtown Seattle, provides 121,000 meals and more than 40,000 nights of shelter per year. Credit: Ruben Ramos via Getty.

Seattle Finds a Big Solution in Tiny Homes

Seattle's homeless crisis made national headlines earlier this year when the city got into a scuffle with Amazon over a corporate head tax that would have funded social services and outreach. But the extent of homelessness in the Emerald City isn't news to anyone who has been paying attention, especially city leaders. A January 2017 count documented 8,522 homeless people, 45 percent of whom were living unsheltered on the streets.

"The affordable housing crisis is feeding the homeless issue such that we can't keep up," said George Scarola, Seattle's strategic advisor for homelessness response, at a standing-room-only session at the Urban Land Institute annual meeting in Los Angeles last year. In 2015, former Seattle Mayor Ed Murray declared a state of emergency on homelessness and called for building 1,000 tiny homes to replace tent cities. Since then, eight tiny-home villages have been built throughout the city as temporary shelters until permanent affordable housing becomes available. This approach is also being used in cities including Detroit, Dallas, and Syracuse.

Each tiny house in Seattle is built by volunteers and costs between $2,200 and $2,500. The houses are paid for by donations and by the Low Income Housing Institute (LIHI), a local nonprofit that oversees the villages and owns and operates about 2,000 units of affordable housing in the region. The city or LIHI owns the land for seven of the villages, which each have about 35 tiny homes. A local church owns the land for the remaining village, which has 14 tiny homes that LIHI also manages. LIHI said some 1,000 people are served over the course of a year by the 250 tiny homes it manages. The organization has two more villages in the pipeline.

The 8-by-12-foot homes are insulated and have heat, electricity, and locks. Because they measure under 120 square feet, they are not considered dwelling units under the International Building Code and are not required to go through the city's permitting process. Many residents are single men and women or couples, though some villages provide two homes for families with children. Residents share common on-site bathroom, kitchen, and laundry facilities. They pay for utilities and pitch in with chores. LIHI employs case managers paid for by the city, while daily operations are self-managed by the residents.

"For folks who have been homeless for 10 years, it's an easier transition" than an apartment, said Scarola at the ULI meeting. "People take pride in keeping these homes neat and in being part of the community." Though the tiny home villages serve as temporary housing for only a fraction of the city's homeless population, they're serving an important role, he said. "More permanent supportive housing is better than 'two hots and a cot,'" meaning a shelter's two hot meals and a bed, Scarola said. "Overnight shelters are expensive, particularly if you're serving the same people over 10 years."

What cities need, Scarola said, is affordable housing that is "smaller, built faster, with many more units." In 2017, the city invested over $68 million in rental assistance programs, bridge shelter, and low-income housing and in 2018 planned to increase that amount to $78 million. During her election campaign last fall, Seattle Mayor Jenny Durkan promised 1,000 additional tiny houses at an estimated cost of $10 million.

Last December, after being elected, she announced city investments on a much larger scale: $100 million for affordable housing construction and preservation and home buyer assistance. These funds will help build 896 apartments in 9 new buildings, preserve 535 apartments in 4 buildings, and construct 26 new homes for low- to moderate-income families. Three of the new affordable-housing projects will provide 195 units of permanent supportive housing for formerly homeless people and people with chronic mental illness.

As for that corporate head tax: the Seattle City Council voted 7–2 to repeal it less than a month after approving it unanimously. The tax had promised to produce $47.5 million annually for the next five years to help address the homeless crisis.

Tiny-house villages across Seattle are providing a temporary solution to the city's homelessness crisis. Credit: Low Income Housing Institute.

Lessons from the City That Never Sleeps

New York is the nation's most populous and densest city, with 8.6 million residents in 5 boroughs encompassing about 300 square miles. It also has the nation's largest homeless population—approximately 76,500, an all-time high, according to the January 2017 HUD count. Most homeless New Yorkers aren't as "visible" on the street as they are in other cities because of the city's "right to shelter" law, a policy that grew out of court rulings in the 1970s. New York, Washington, DC, and Boston are among the few cities in the United States that are required to provide temporary housing for homeless people. As a result, New York City sheltered 95 percent of people needing homes in 2017, while Los Angeles sheltered only 25 percent, according to HUD (USDHUD 2017).

In January 2017 and January 2018, the city counted approximately 60,000 residents in municipal shelters and 3,000-plus residents who were unsheltered. (The HUD figure is higher because it includes people served in shelters operated by religious and nonprofit agencies, as well as other government agencies.) Families comprise 70 percent of the municipal shelter population.

The city tries to place people close to their support networks, in the communities they call home, to improve the odds of quickly stabilizing lives. It also provides dedicated facilities for families, men, women, unaccompanied youth, and LGBTQ residents. In 2017, New York City spent $1.7 billion in city, state, and federal money to aid its homeless population.

New York City has the nation's largest homeless population—an all-time high of 76,500 people, according to the most recent HUD count. Credit: JasonParis/Flickr CC BY 2.0.

The Housing Plan: At Work In Your Neighborhood

1. **Senior Affordable Rental Apartments (SARA):** new affordable housing for seniors.

2. **NEW Mitchell-Lama Reinvestment Program:** help aging Mitchell-Lamas stay affordable and build new affordable and senior housing on underused campuses.

3. **NEW Neighborhood Pillars Program:** funding for non-profits to purchase rent-regulated buildings and keep them affordable to their tenants.

4. **Supportive Housing Loan Program (SHLP):** affordable apartments with on-site services for the most vulnerable households.

5. **NEW Mixed-income Micro:** launch a new program with updated design guidelines to facilitate the creation of apartments that fit changing demographics.

6. **NEW Vacant Land Tax:** disincentivize speculators from holding land off the market by taxing it at a higher rate until in-demand housing is built.

7. **NEW HomeFix:** financial assistance to low-income homeowners to make repairs and keep their homes healthy and safe.

8. **NEW Tiny Homes in the Big Apple:** launch a design competition to build small homes on otherwise undevelopable City-owned land.

9. **Extremely Low- and Low-Income Affordability Program (ELLA):** new affordable housing for extremely low- and low-income New Yorkers.

10. **Mandatory Inclusionary Housing:** areas and buildings rezoned for residential growth must include 20-30% permanently affordable apartments.

The Housing New York 2.0 plan spells out some of the city's ambitious goals, including affordable housing for seniors, mandatory inclusionary zoning, and a vacant land tax. Credit: City of New York.

In New York, rising homelessness and dwindling affordable housing have been on twin trajectories for the past two decades. From 1994 to 2012, while the city swelled by more than a million new residents, it lost 150,000 rent-stabilized apartments, putting low-income residents at particular peril in the competition for housing. The city's homeless population also more than doubled during that time, increasing 115 percent. Between 2000 and 2014, the city's median rent increased by 19 percent, and household income decreased by 6.3 percent in real dollars. Two-thirds of households now rent, and in June 2018, median rent was more than twice the national average—$2,900, according to Zillow.

"The way you get homelessness is the gap between rent and incomes," confirmed Steve Banks, commissioner of the city's Human Resources Administration (HRA), who oversees the Department of Social Services (DSS) and the Department of Homeless Services (DHS). After two decades of rising homelessness, he said, the number of people housed in DHS shelters is now stable and beginning to decline as the city makes headway in "keeping people in their homes and moving homeless people out of the shelter system and into more permanent housing."

According to *Turning the Tide on Homelessness in New York City*, a 2017 municipal report, new policies have indeed led to measurable progress on this front (CNY 2017a). In December 2015, HUD announced the city had ended chronic homelessness among veterans. From 2016 to August 2018, an outreach program secured transitional and permanent housing for 1,815 street homeless people. The city has opened 15 new shelters as part of a plan to close old shelters in poor condition and build 90 new ones. At the same time, the overall number of shelter facilities has been reduced by 25 percent, from 647 to 492, as new shelter options have been developed and more people are housed. Since 2014, 94,300 people have moved from the shelter system into more permanent housing, and 161,000 households have been prevented from falling into homelessness through approaches such as an enhanced rent voucher program, free anti-eviction legal services, and more supportive housing. During that same span, the city financed the creation and preservation of over 109,700 affordable homes.

Enacting Solutions in NYC

New York City is successfully using strategies such as helping nonprofit organizations buy affordable rental housing to prevent displacement, rezoning land for residential use and greater height and density, taxing unused land at a higher rate, and investing in modular micro-apartment buildings. Deputy Commissioner for Development Molly Park, who oversees the Housing Preservation and Development (HPD) division, offered a word of caution. Homelessness is "a very nuanced situation," she said. "We can't draw a direct correlation between homelessness and these new affordable housing programs."

Still, New York has much to offer other cities struggling with these complex issues. Its approaches include:

HOUSING NEW YORK

The guiding plan developed during Mayor Bill de Blasio's first term, *Housing New York*, defines priorities that include creating pathways to permanent housing for homeless residents, identifying more affordable housing for a growing senior population (another 400,000 are projected to reach senior status by 2040), and providing more accessible housing for people with disabilities. The mayor's housing plan called for adding or preserving 200,000 affordable units by 2024, but the city's accelerated pace put it on course to meet that goal by 2022, two years ahead of schedule; in October 2017, de Blasio released *Housing New York 2.0*, an updated plan to preserve and create an additional 100,000 units of affordable housing by 2026, or 300,000 units total at a rate of 25,000 per year (CNY 2017b).

"We have a robust system in place and we're ramping up," said Park of HPD. From 2014 to January 2018, the city spent $3.3 billion in direct subsidies to preserve or create a total of 87,557 affordable homes, she said. Most of this housing includes some level of construction, from light-touch rehabilitation such as replacing a boiler or roof to building new units, she said. The vast majority of homes are multifamily rentals,

with some home ownership, including small buildings for between one and four families. Though publicly financed and regulated, all are owned and operated by private nonprofits, development firms, or private multifamily project owners, such as co-op tenant associations.

Some of these projects preserve existing affordable housing that was created in the 1950s and 1960s under the Mitchell-Lama Residential Program, in which the city built 70,000 rental and co-operative apartments for lower- and middle-income tenants. The program's affordability tax credits expired, however, and nearly half of the units have exited the program, mostly because rising property values made market-rate rents more attractive than the program's tax breaks. The city has committed $250 million to preserving 15,000 Mitchell-Lama co-ops and is working with owners to make repairs and restructure debt.

Projects such as the Dinsmore-Chestnut building in East New York, top, and the Hunter's Point complex in Queens, bottom, are part of the city's ambitious effort to expand its affordable housing stock. Credit: City of New York.

The Eliza, an affordable-housing hybrid under development in the Upper Manhattan neighborhood of Inwood, represents a partnership between the city, the New York Public Library, community groups, and an affordable-housing developer. Credit: City of New York.

AFFORDABLE-HOUSING HYBRIDS

Housing New York 2.0 earmarked 15,000 affordable units for homeless people, and 8,948 homes have so far been created for people coming out of the shelter system. These efforts include some highly innovative models. In the Bronx, Landing Road Residence provides affordable apartments subsidized by two floors devoted to a 200-person shelter. With city support, the Bowery Residents Committee developed, owns, and operates the $62.8 million building, which provides 111 studios for formerly homeless people and 24 affordable one- and two-bedroom apartments available by lottery to the community. In the Inwood neighborhood of Upper Manhattan, the city, the New York Public Library, community organizations, and an affordable housing developer are codeveloping The Eliza, which will include 175 deeply affordable apartments, a new library branch, and a universal prekindergarten facility. Apartments will be reserved for individuals and families with a range of low-income levels, including formerly homeless people.

The city is also partnering with local nonprofits and affordable housing developers to convert temporary shelter apartments into permanently affordable housing. Since 2000, New York had used "cluster apartments" as a stopgap shelter

measure, at its peak paying market rates to rent 3,600 apartments in low-income neighborhoods. In 2016, the city began phasing out cluster apartments and instead placed people in commercial hotels, where it cost the city as much as $530,000 per night to shelter 7,800 people, according to a 2017 city comptroller report. The city is now helping to buy and renovate about a third of the remaining cluster apartments and converting them to permanent housing for formerly homeless and low-income New Yorkers, taking ownership by eminent domain if necessary.

"We're trying to make sure we're building for very low-income families who are not in homeless shelters but are at risk of becoming homeless," said Park. In 2017, nearly half of all new homes produced were for people with incomes at 50 percent of AMI or below, she said. "I see that as a homeless preservation tool."

An affordable housing lottery system now accepts 700 applications for every available unit, according to Matthew Creegan of HPD's press office. That number is a big improvement over the 1,000 applications per unit HPD received a couple years ago, he said: "Outreach, education, and the growing number of new units built have reduced the need."

MANDATORY INCLUSIONARY HOUSING

To ensure that every borough would have affordable housing opportunities, the city created a new mandatory inclusionary housing (MIH) program that is activated when an area is upzoned to increase commercial use and density. A voluntary inclusionary housing policy in effect since 1987 had allowed developers a density bonus of additional height for new construction, substantial rehabilitation, or preservation of permanently affordable housing. The new MIH policy, adopted by the city council in March 2016, requires developers who want to increase floor area in rezoned areas or areas requiring special permits to provide typically 25 to 30 percent of units as affordable, for a range of income levels. Developers also have limited options to create affordable housing off-site at another location, or to pay "in lieu" fees into a housing fund.

The policy aims to increase neighborhood economic diversity by ensuring that any new housing built would also include units affordable for a range of income levels, from 40 percent to 115 percent of AMI, which in 2017 was about $93,000 for a family of three. After setting aside the requisite affordable units, the rest can be rented at neighborhood market rates.

"The mandatory inclusionary housing policy has made a difference," said Park. By 2018, the MIH policy had created 4,000 new permanently affordable apartments, in addition to those created by neighborhood rezoning. The MIH policy is somewhat controversial, as the 51 city council members can determine level of affordability on a project-by-project basis and have the legal ability to oppose projects. At least a couple of city councilors have exercised this right, for example, by blocking building approvals

on the basis of opposition to additional building height. Some major developers also have been hesitant to risk upzoning or applying for special permits that would trigger the MIH requirement. But revisions to the policy, including the introduction of fast-track approvals, have put things back on track.

REZONING FOR NEW AFFORDABLE HOUSING

"We're employing whatever land we have for housing," said Purnima Kapur, until recently the executive director of the New York City Department of City Planning (DCP). "It becomes a balance: with limited subsidies and land available, we're always looking for opportunities, and that typically happens with higher density."

The city is rezoning industrial areas near established neighborhoods that have infrastructure such as sewers and "areas in which urban renewal razed affordable multifamily buildings, such as East New York, where we can upzone and allow for bigger apartment buildings," said Kapur. DCP is leading an integrated community planning approach with various city agencies to plan for elements such as schools, transportation, workforce training facilities, and open space. "We're looking at a framework that would continue to allow for industrial uses as well as new mixed uses including housing," she said. A lot of waterfront was traditionally mixed-use, "and with new tech and creative firms wanting to relocate there, we're envisioning more housing for live-work and commercial uses."

New neighborhood plans that allow for upzoning for mid- and higher-density are underway in East New York, Brooklyn, and Far Rockaway, Queens, among other neighborhoods, said Kapur. Two Brooklyn neighborhoods under consideration include Gowanus, an old waterfront area now enlivened by a hip mix of art and culture groups and maker industries, and Brownsville, where 900 affordable homes will be developed on multiple city sites for households including extremely low-income, formerly homeless, and low-income senior residents. The mixed-use projects feature amenities such as a cultural center, senior center, supermarket, and rooftop greenhouse.

In its search for more land, the city is trying to unlock the potential of vacant lots long considered too small or irregular for traditional housing stock.

Carmel Place, New York's first micro-unit apartment building, features modular units that were built in a factory space at the Brooklyn Navy Yard (left), then pieced together on-site on a lot considered too small for traditional construction (right). Credit: nArchitects.

In its search for more land, the city is trying to unlock the potential of vacant lots long considered too small or irregular for traditional housing stock, said Kapur. It is planning affordable housing for seniors on parking lots at existing Mitchell-Lama and HUD-regulated complexes. In highly transit-accessible areas, the city is enabling the development of mixed-income buildings for small households, including studios and units with shared cooking spaces, and is relaxing some zoning restrictions on apartment size. The city is also looking at reclassifying residentially zoned vacant lots to increase the owners' tax bills and incentivize them to develop the sites for housing.

With support from a $1.65 million Enterprise grant, the city is also helping expand community land trusts (CLTs) citywide with nonprofit organizations, so community members can own and manage development on parcels of land. The grant helped to create the first citywide land trust, called the Interboro CLT, and to educate neighborhood organizations on how they can implement CLTs in their own communities.

MODULAR HOUSING

To reduce the cost and speed up construction of affordable homes and to respond to changing demographics, *Housing New York 2.0* called for capitalizing on advances in technology and innovative design to expand modular building and micro-units. HPD has launched a program encouraging advanced modular construction with updated design guidelines. *Housing New York 2.0* referenced New York's first micro-unit apartment building, Carmel Place in Kips Bay, Manhattan. Opened in 2016, the building has 55 micro units, including 8 reserved for homeless veterans and 14 affordable units that drew 60,000 lottery applicants. The 260- and 360-square-foot apartments were built with pre-fabricated modules transported from a Brooklyn warehouse and 'stacked' on a traditionally constructed foundation with ground-floor utilities. The city is piloting additional modular construction through the Build-It-Back program and has built nearly 100 single-family modular homes that cost 25 percent less than conventional construction. In May, HPD issued a competitive RFP for 100 percent affordable

multifamily housing projects in East Bay, Brooklyn, that would use modular construction to further test whether the benefits of this approach are achievable at scale.

Housing for the Future

As cities across the country seek solutions to the homeless crisis and the severe shortage of affordable housing, New York City has many lessons to offer. The city has now seen several strong years of housing production that includes affordable housing, notes Kapur. But to address a root cause of homelessness, she said, the city must sustain this pace over time to keep up with demand for housing and reduce upward pressure on rents. This requires planning ahead for the capacity for future growth.

Perhaps one of the most valuable lessons for these booming cities is captured in Kapur's reflection on the necessity of committing to long-term policy shifts and investments. "We continue to look ahead" to a city with 9 million by 2040, said Kapur, "so we're focused on the near and distant future. We realize we need to do this on an ongoing basis. It's not a five-year plan." □

Kathleen McCormick, principal of Fountainhead Communications in Boulder, Colorado, writes frequently about healthy, sustainable, and resilient communities.

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