

THE URBAN PROSPECT

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197-a Comes of Age

The 1989 City Charter sought to give communities a greater say in the land use policies that affect them. The charter provision governing neighborhood plans, known as 197-a, was rewritten and the Planning Commission was instructed to devise formal procedures for their adoption.

The new rules were implemented after a lively debate over the relative merits of local versus centralized planning. As the first to have its zoning recommendations formally proposed as law, a plan negotiated between Manhattan's Chelsea community and the Department of City Planning (DCP) is being hailed by many as a model of how the 197-a process can be used to reconcile neighborhood desires and citywide needs on sensitive land use matters.

Let's Make A Deal

Under the rules promulgated by the Planning Commission, 197-a plans are to "guide subsequent actions by city agencies," but do not "preclude the sponsor or any other city agency from developing other plans or taking actions not contemplated by the 197-a plan." Although 197-a plans do not carry the force of law, Planning Commission Chairman Joseph Rose has encouraged communities to produce realistic land use plans that can be embraced by the city's planning agency. The Chelsea plan is notable in this regard. City Planning worked closely with the community board to create a plan acceptable to the Administration, and, as a result, sponsored the zoning changes. The proposed rezoning follows directly from the 197-a plan.

Other plans have faced objections from DCP or modification by the Planning Commission. The community board representing the West Village withdrew its plan when it became clear that passage was unlikely and plans for Little Neck-Douglaston and East Harlem (now being rewritten) may face similar fates. A waterfront plan produced by the Manhattan Borough President's office was heavily modified by the Commission.

Under the old charter environmental review costs deterred communities from submitting plans. The new rules shifted the burden of environmental review to City Planning, resulting in a profusion of plans. The more formidable environmental review costs, however, are usually incurred if an actual zoning

application is made. By sponsoring the Chelsea rezoning, DCP absorbed those environmental review costs as well.

The proposed rezoning in Chelsea exchanges enhanced protections of the historic core for additional residential and commercial development in surrounding areas. From 8th to

Status of Formal 197-a Submissions

CBD	Neighborhood	Status
M4	Chelsea	Zoning Action
Bx3	Morrisania	Adopted 1992
Bk6	Red Hook	Adopted 1996
M6	Stuyvesant Cove	Adopted 1997
MBP	Manhattan Waterfront	Adopted 1997
M2	West Village	Withdrawn
Q11	Little Neck-Douglaston	Public Hearing
M11	East Harlem	Rewriting
DCP	Citywide Waterfront	Public Hearing
Bk1	Williamsburg	Under Review
Bk1	Greenpoint	Under Review

Source: Department of City Planning

10th Avenues and 16th to 23rd Streets allowable density is reduced between 13 and 50 percent. While a portion of the area is a designated historic district, the rezoning further protects Chelsea's historic townhouses and creates moderate-density buffer zones to help retain the neighborhood scale.

The reprogramming of obsolete manufacturing zones to more viable economic uses has been a hotly contested issue throughout the city. The compromise between the city and the community on the Chelsea plan did this with relatively little rancor. Manufacturing districts between 6th and 7th Avenues from 14th to 23rd Streets and east of 8th Avenue to the north of 23rd Street would be rezoned to allow only residential and commercial uses, increasing compliance of uses by about 20 percent. Between 22nd and 24th Streets west of 10th Avenue, the action proposes a new mixed-use district.

Mapping The Future

The mixed use district in Chelsea follows on the heels of several similar districts mapped in recent years. The zoning resolution of 1961 imagined residential and manufacturing

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Work in Progress

Midway to the first of the five-year time limits, welfare rolls are down, the economy is growing, and states are benefiting from welfare surpluses. The dire predictions that welfare reform would cause widespread hardship and overburden states and localities with the costs of reform have apparently not come to pass. Yet, little is known about the work participation and economic and social stability of families that have left the rolls. Critical issues remain, including how to best address the needs of long-term welfare recipients, who are likely to require more assistance to secure and maintain employment, as well as assessing the potential of an economic downturn to again flood the welfare rolls.

The nationwide decline in welfare receipt is due to economic growth and low-unemployment, changes in welfare policies, and expansions of the Earned Income Tax Credit (EITC) and other programs, according to the Council of Economic Advisors. States' implementation of welfare reform seems to reflect this mix, with most imposing stricter eligibility screening and work requirements, investing in additional services, plugging deficits, and socking away surplus federal welfare dollars to guard against economic downturn. Whether this will prove to be a welfare retrenchment or a fundamentally different approach to fighting poverty remains to be seen.

Barriers to Welfare, Incentives to Work

Federal law now requires that 35 percent of families on welfare participate in work activities. Caseload reductions also count towards meeting those requirements. With a 30 percent caseload decline and more restrictive welfare rules imposed in 1995, New York State has easily exceeded federal work requirements and has amassed a welfare surplus of \$1.4 billion. Both the state and city now have real options in how they apportion their resources and in what types of programs and policies they pursue. Mayor Giuliani has set an ambitious goal of implementing universal work requirements for all adult welfare recipients by 2000.

Down from a peak of 573,000 adult recipients in March 1995, there are now approximately 310,000 adults on public assistance in New York City. The city has implemented several front-end diversion initiatives aimed at reducing welfare enrollment, including stricter eligibility reviews and job search requirements. Since FY96, the number of new public assistance applications has decreased from 258,000 to 200,000 per year, and the percentage of applications rejected rose from 44 to 56 percent. Nevertheless, nearly 100,000 new households joined the rolls last year.

Those granted public assistance are now required to participate in work activities based on a simulated 35-hour workweek, generally including a 20-hour work experience program (WEP) assignment and 15 hours of education or

training. Nearly 70,000 welfare recipients participated in work activities in FY98, representing 30 percent of all families and 80 percent of Safety Net recipients, as calculated in accordance with federal and state guidelines.

At any given time, according to the Human Resources Administration (HRA), roughly half the adult welfare population is not available for work, because they are caring for infants, are elderly or pending SSI, are temporarily exempt, are looking for child care, or are being sanctioned. Persons in these situations, as well as those that leave or never join the rolls, reduce the number of work activities actually required. Nevertheless, it seems unlikely that the city will reach its universal work goal by 2000, as the Mayor's Management Report projects the number of persons participating in work activities to remain at 78,000 for FY00.

This spring the city plans to finish converting income maintenance centers to job centers. Job centers will offer on-site services from state labor and education departments, as well as provide benefits, child care vouchers, Medicaid, and other services. The Mayor's FY00 Executive Budget calls for \$1.7 billion in spending on welfare, including \$178 million for employment services.

With funding for welfare-to-work programs funneling through federal, state, and local labor, social services, transportation, and housing agencies, as well as from private foundations, it is unclear how much is being invested in New York's panoply of programs and how many welfare recipients are being served. In addition to the city's efforts, there are now at least 166 private and nonprofit job training and placement programs in New York City, according to a recent guide for businesses issued by HUD.

The basic ingredients of most job training programs include some combination of assessment, job readiness, skills training, internships, job placement, and post-placement support services. Welfare reform and the current iteration of programs emphasize "work first," offering only very limited classroom instruction and often stressing "soft skills" (such as attitude, presentation, and punctuality) more than specific skills training. These programs build on research that found classroom training often served those that were already most employable and only marginally raised wages, as well as more recent surveys indicating that employers most value soft skills in job applicants.

Innovative programs include those that seek to saturate an

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entire building, block, or neighborhood with job services, or provide services in conjunction with substance abuse treatment, or train persons to work in specific industries or companies. For example, Wildcat offers training tailored to the needs of specific companies in the financial industry and has placed over 70 former welfare recipients in entry level jobs at Salomon Smith Barney, paying an average salary of \$24,000. Yet, such jobs remain the exception, requiring high school degrees and reading and math skills not held by the majority of welfare recipients. Most programs report placements averaging about \$7/hour with little more than half offering health insurance – earnings generally on par with similarly educated workers.

Community development groups are well-represented in efforts to revitalize neighborhood retail and commercial strips, are themselves creating jobs through new businesses, and are providing job training and placement services. Among the larger job training ventures is a \$4.9 million collaboration between LISC, the Nonprofit Assistance Corporation, The New York Community Trust and Seedco providing an array of job placement, training, education, and support services to 600 families and 200 noncustodial parents in Mott Haven, Washington Heights, and Williamsburg.

Most government funded job training programs are paid according to performance-based contracts, with fees ranging from approximately \$2,000 to over \$5,000 per placement and final payments made after participants have been employed for three to six months. These contracts build in accountability to funders, participants, and employers, and provide some measure of early outcomes. Yet, assessing the scale of this operation and its capacity to serve a growing number of persons, especially those with special needs, remains oblique.

Destination Unknown

The work participation and economic stability of many former welfare recipients is unknown, as many leave the rolls without disclosing their employment status. Just as many families survived on welfare by cobbling together support from family or friends, unreported earnings, and other government assistance, anecdotal evidence and emerging research suggest that the finances of many families leaving welfare are a jumble of wavering sources and their path to stable employment is often long and indirect. Less than a quarter of New York welfare recipients who left the rolls had any earned income, according to the state Office of Temporary and Disability Assistance (OTDA) in its analysis of new hires for the first quarter of 1997. The State Department of Labor is building a longitudinal study of public assistance recipients' earnings before, during, and after receiving welfare, in addition to collaborating with OTDA on the state's required evaluation of welfare reform.

A small survey recently conducted by HRA, *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients*, found vast differences between those who left welfare and the caseload in general. Forty-two percent of former recipients had more than a high-school

education, compared to just 17 percent of the city's family caseload. Similarly, 44 percent of survey respondents received assistance for less than two years, compared to only 18 percent of all assisted families.

These findings recall the predictions of many policy makers and researchers that the most employable would be the first to leave the rolls, and that the true challenges lay in assisting long-term welfare recipients to work. HRA recently obtained a grant from the U.S. Department of Labor to assist substance abusers and other welfare recipients with multiple barriers to employment; other city agencies and private organizations are also targeting various hard to employ groups.

Many job training programs offer case management services to assist people with housing, addiction, child care, domestic abuse and other problems long after they get jobs. Experts point out that while many families are successfully moving from cash assistance to work, a good number will remain dependent on publicly subsidized health and child care services, as well as periodic case management assistance.

Making Work Pay

The value of public assistance benefits in most states has dwindled over the years such that even minimum-wage earnings will exceed welfare income. Yet, the prospect of earning much more than poverty level wages for many former welfare recipients is, at least in the short-term, grim. Average annual earnings of employed nonwhite women with less than a high school education – the education level of 57 percent of the city's welfare caseload – is \$10,800, according to the 1998 Current Population Survey for the metropolitan area.

Significantly raising the earning potential of most public assistance recipients would require tremendous investments in human capital, according to economist James Heckman and others, suggesting that wage subsidies for low-skill adults may be a more efficient means of promoting work and raising incomes. When wages are combined with food stamps and federal and state EITC, an adult with two children in New York working full-time at minimum-wage can net \$1,447 per month, nearly double their income from wages alone.

Many experts chart the trajectory of welfare to work as a sequence of successively better jobs, as former recipients develop work habits, skills, and experience. To a limited degree EITC, subsidized child care and health insurance programs, food stamps, and housing subsidies are available to sustain this process, but there is a growing consensus that they need to be expanded. The first new Section 8 vouchers in nearly five years are aimed at assisting the work efforts of former welfare recipients. The New York State Senate and Assembly have both introduced proposals to increase the state's EITC, and the Mayor has proposed a city tax credit. Yet, the city's recent attempt to deter food stamp applications, underscores a real tension in whether the emphasis of welfare reform will be to support a work-based assistance program or to reduce welfare spending. ■

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uses to be necessarily distinct and physically separate. Rather than giving residential uses wide latitude, the zoning resolution specifically limited the basic types of use to separate locations.

Erosion of the separate use model began in the 1970s as DCP sought to reconcile zoning policy with existing mixing of manufacturing and residential uses. The Planning Commission mapped several special mixed use districts in parts of Williamsburg, Coney Island, Tribeca, and Hunters Point. The districts were tailored to the local mix of land uses, such as artist work-live lofts in Tribeca. The 1970s regulations attempted to walk a fine line between promoting needed housing development and protecting existing manufacturing uses. In many of these districts, residential conversions are only possible when there is a significant residential presence on the block (usually two thirds of all buildings), when the new residential site is adjacent to existing residences, and when the building has been vacant for a year.

More recently, City Planning has expanded mixed-use zoning by writing text for a generic mixed-use district that can be mapped in many areas. Passed in 1997, the new district has been mapped in two locations – Port Morris in the Bronx and Fulton Ferry in Brooklyn – and several additional mapping proposals, including Chelsea, are on the table. The new district streamlines many current regulations and may be a model for future changes to the zoning resolution.

Manufacturing districts use performance standards to distinguish between permitted and prohibited uses. Basically unchanged since 1961, performance standards set permissible levels of noise, odors, smoke, particulate matter, and vibrations. Previous mixed use districts allowed the intermingling of residences only with certain designated industrial uses, but the new generic mixed-use text employs performance and updated environmental regulations almost exclusively to determine acceptable uses. As employment in the city shifts towards more commercial and low-intensity manufacturing activities, mixed use districts may become even more applicable. One challenge facing the city is its ability to reconcile nonproduction industrial uses that require large amounts of space and generate heavy truck traffic (such as package delivery and warehousing) with residential development.

Several 197-a plans from Brooklyn's industrial waterfront call for additional mixed-use mapping. Crumbling piers and vastly under-utilized manufacturing space along the Brooklyn waterfront make these areas ripe for reuse. The plans exhibit a basic tension between retaining industrial employment and facilitating residential development, especially for low and moderate income families. The Williamsburg plan calls for the creation of permanent “industrial sanctuaries,” but DCP has raised doubts about the constitutionality of a move that limits the Planning Commission’s rezoning powers. Both Williamsburg

and Greenpoint are attempting to contain major population increases, while Red Hook hopes to double its population, returning it to its World War II era high. Red Hook’s relative isolation from public transit may be a major obstacle, however.

The Brooklyn waterfront plans also underscore two important waterfront issues – public access and waste transfer stations. They call for residential rezoning and public access to large sections of what is now a highly restricted waterfront. The community boards also want to halt the development or expansion of waste transfer stations, even on areas of the waterfront zoned for low performance (M3) manufacturing. Community attempts to limit such facilities conflict with the city’s need to find appropriately zoned sites.

The East River waterfront areas contain a substantial portion of the city’s manufacturing land. With the decline of manufacturing, these areas have faced major changes in population and land-use and communities are now using the 197-a process to cope with these changes. In addition to the community board plans, DCP has submitted its own 197-a that updates the city’s coastal management plan. In 1992, the city adopted a comprehensive waterfront plan (not a 197-a), which was partially implemented in a 1993 zoning action creating special waterfront district regulations.

The 1992 plan divided the waterfront into natural, public, and working waterfront areas. The 197-a proposed by City Planning would reinforce that framework by creating “significant maritime and industrial areas” and “special natural waterfront areas,” and advocates extensive public esplanades along much of the waterfront. As a guide to city policy, the plan envisions a significant consolidation of manufacturing uses and extensive residential and recreational development.

Zoned Affordable

Nearly all 197-a plans focus on the need for affordable housing in their districts. Several have considered adapting a little used portion of the zoning resolution known as inclusionary housing to help meet these needs. Inclusionary housing allows density bonuses up to 20 percent when affordable housing is built or rehabilitated in R10 districts.

The Chelsea plan proposed greater density on vacant and parking lots between 6th and 7th Avenues in return for the production of low-income housing units. The defunct West Village plan contained a similar provision targeted towards housing for people with AIDS/HIV, and other communities have struggled to find ways to preserve affordable housing in their districts.

Housing developers have rarely utilized the existing inclusionary housing provision. Fewer than 200 units have been produced to date, with another 150 planned. In contrast, the 421-a program, which provides tax exemptions in exchange for building low-income units, has been used extensively. One idea floated recently suggests stimulating housing production by enhancing 421-a benefits in areas recently rezoned from manufacturing to residential use. ■