



THE CITY OF NEW YORK  
INDEPENDENT BUDGET OFFICE  
110 WILLIAM STREET, 14<sup>TH</sup> FLOOR  
NEW YORK, NEW YORK 10038  
[www.ibo.nyc.gov](http://www.ibo.nyc.gov) • [iboenews@ibo.nyc.gov](mailto:iboenews@ibo.nyc.gov)

March 18, 2024

**VIA EMAIL**

Council Member Nantasha Williams  
[NWilliams@council.nyc.gov](mailto:NWilliams@council.nyc.gov)

Dear Council Member Williams,

At your request, the Independent Budget Office (IBO) has reviewed the Points of Agreement (POA) negotiated by the mayor and the local City Council member for eight neighborhoods rezoned from 2014 through 2021: East New York, Downtown Far Rockaway, East Harlem, Jerome Avenue, Inwood, Bay Street, Gowanus, and SoHo/NoHo. IBO analyzed how much the City has spent or budgeted for capital pledges, as well as trends in funding by project category, such as open space, housing, and transportation. IBO also analyzed aspects of the Neighborhood Development Fund (NDF), a fund created under Mayor de Blasio dedicated to funding infrastructure projects in rezoned neighborhoods. Our key findings are:

- Of the eight neighborhood rezonings studied, IBO found that seven of the resulting POAs contained between \$253 million and \$623 million in capital pledges.
- All eight rezoned areas have had at least 70% of their pledged dollars spent or budgeted to date, with the remaining pledges not yet reflected in the budget.
- “Capital pledges” and “expense pledges” stipulate funding amounts in the POA, which estimate the budget additions required to fulfill the pledge. All pledges without stipulated funding are considered “policy pledges,” and therefore are expected to be fulfilled without adding funding to the budget. It is easier to track fulfillment of capital and expense pledges than policy pledges.
- Finally, the neighborhood-specific allotment of the NDF funded about a quarter of all capital POA spending for the rezoned neighborhoods in this analysis. Almost all of the initial \$703 million neighborhood-specific allotment has been used or earmarked for past rezonings. The Adams administration has introduced the Strategy for Equity and Economic Development (SEED), an initiative intended to support the infrastructure and equity needs of the administration’s five in-process rezonings, though further details are not yet available.

Further details are provided in the attached memo. If you have any questions or would like additional information, please contact me at [louisac@ibo.nyc.gov](mailto:louisac@ibo.nyc.gov) or the analysts who prepared these estimates, Zachary Herman and Sarah Internicola at [zacharyh@ibo.nyc.gov](mailto:zacharyh@ibo.nyc.gov) and [sarahi@ibo.nyc.gov](mailto:sarahi@ibo.nyc.gov).

Sincerely,

A handwritten signature in black ink that reads 'Louisa Chafee'.

Louisa Chafee  
Director

## MEMORANDUM

**To:** Louisa Chafee, Director  
**From:** Zachary Herman and Sarah Internicola, Budget and Policy Analysts  
**Date:** March 18, 2024  
**Subject:** Capital Commitments for Recent Rezoning

---

At the request of Council Member Nantasha Williams, IBO has reviewed pledged capital investments for eight recently rezoned neighborhoods. This research is intended to provide context for future neighborhood rezonings, including Jamaica, Queens, where the City has started community discussions around developing the neighborhood plan. Additional rezonings in progress at the Department of City Planning (DCP) include Bronx Metro North, Atlantic Avenue Mixed-Use Plan, Long Island City Neighborhood Plan, and the Midtown South Mixed-Use Plan. This research is the continuation of a prior IBO [report](#) on capital commitments for neighborhood rezonings. Notably, in addition to neighborhood-specific plans, the Adams administration is pursuing citywide zoning changes, as discussed in the [City of Yes for Housing Opportunity](#) zoning reform proposal.

Under Mayor Bill de Blasio, the City aimed to increase housing through neighborhood rezonings in transit-connected areas of the city, typically with the goal of enabling more housing to be built in those select neighborhoods.<sup>1</sup> Part of the neighborhood rezoning process is a negotiation between the City—represented by the Mayor’s Office of Management and Budget (OMB)—and representatives from the neighborhood—often the City Council Member. The negotiations result in a Points of Agreement document (POA), wherein the City agrees to provide various capital and expense investments to the rezoned neighborhood, referred to as “pledges” in this report. (The City’s [Rezoning Commitments Tracker](#) refers to these pledges as “commitments”, however IBO uses the term commitments when referring to spending in the capital budget.) DCP defines three categories for POA pledges: capital pledges, relating to capital projects and investments; expense pledges, relating to the expense budget and day-to-day operations; and policy pledges, which can include a wide range of projects and initiatives but, importantly, do not have any specific funding stipulated. This analysis exclusively investigates capital pledges, because they typically represent longer-term and larger investments in the communities. Moreover, expense pledges are typically smaller and more difficult to identify in the Expense Budget, and policy pledges do not stipulate funding in the POAs.

***POA Stipulations Compared with Capital Budget Funding.*** The dollar stipulations for capital and expense pledges represent estimates of how much funding the City will contribute to satisfy that pledge. The amounts ultimately “funded” (i.e., budgeted or spent) may differ from the pledge stipulations. It can take several years to see POA pledges funded by the City. IBO investigated the funding status of capital pledges for each neighborhood rezoning using published data from the Fiscal Year 2024 September Capital Commitment Plan.

Figure 1 compares the total dollar amount pledged in the POA to the amount that has been spent or budgeted to date for capital pledges. There is a wide range of amounts pledged, from \$34 million for SoHo/NoHo to \$623 million for Bay Street. SoHo/NoHo is an outlier, however, as all other rezonings each received pledges totaling over \$250 million.

All neighborhoods in this study have had at least 70% of their capital pledges funded to date. This is within expectations because capital projects can take several years to plan and therefore it can take many years to see pledges reflected in the capital budget. Two neighborhoods—East New York and Jerome Avenue—have received more funding than initially pledged. This may reflect cost overruns or additional scope added to projects after the initial pledge, but IBO did not identify specific causes for project-by-project cost increases. Although there is no apparent correlation between the size of the rezoned areas and the amount pledged in their POAs, it is important to note that the 300-block Jamaica rezoning area is geographically much larger than any of the eight neighborhoods most recently rezoned.<sup>2</sup>

Figure 1  
**Most Rezoned Neighborhoods Received at Least \$250 million in Capital Pledges**  
*Dollars in Millions*

Rezoned Neighborhood (Year Rezoned)	Number of Stipulated Capital POA Pledges	Capital Funding Pledged in POA	Capital Funding Budgeted (Committed + Planned)	Over / (Under) POA Pledge	% of POA Pledge Budgeted
East New York (2016)	19	\$265	\$439	\$174	166%
Downtown Far Rockaway (2017)	8	\$287	\$238	\$(49)	83%
East Harlem (2017)	12	\$253	\$242	\$(10)	96%
Jerome Avenue (2018)	13	\$310	\$465	\$155	150%
Inwood (2018)	23	\$449	\$418	\$(31)	93%
Bay Street (2019)	15	\$623	\$537	\$(87)	86%
Gowanus (2021)	10	\$449	\$325	\$(124)	72%
SoHo/NoHo (2021)	2	\$34	\$38	\$4	112%

SOURCES: IBO analysis of the [Rezoning Commitments Tracker](#) maintained by the Mayor’s Office of Operations, and Office of Management and Budget Fiscal Year 2024 September Capital Commitment Plan data  
 NOTE: The capital budget only includes lump sums for School Construction Authority (SCA) projects rather than project-level detail; therefore, IBO may not have captured all budgeted amounts for SCA-related pledges.

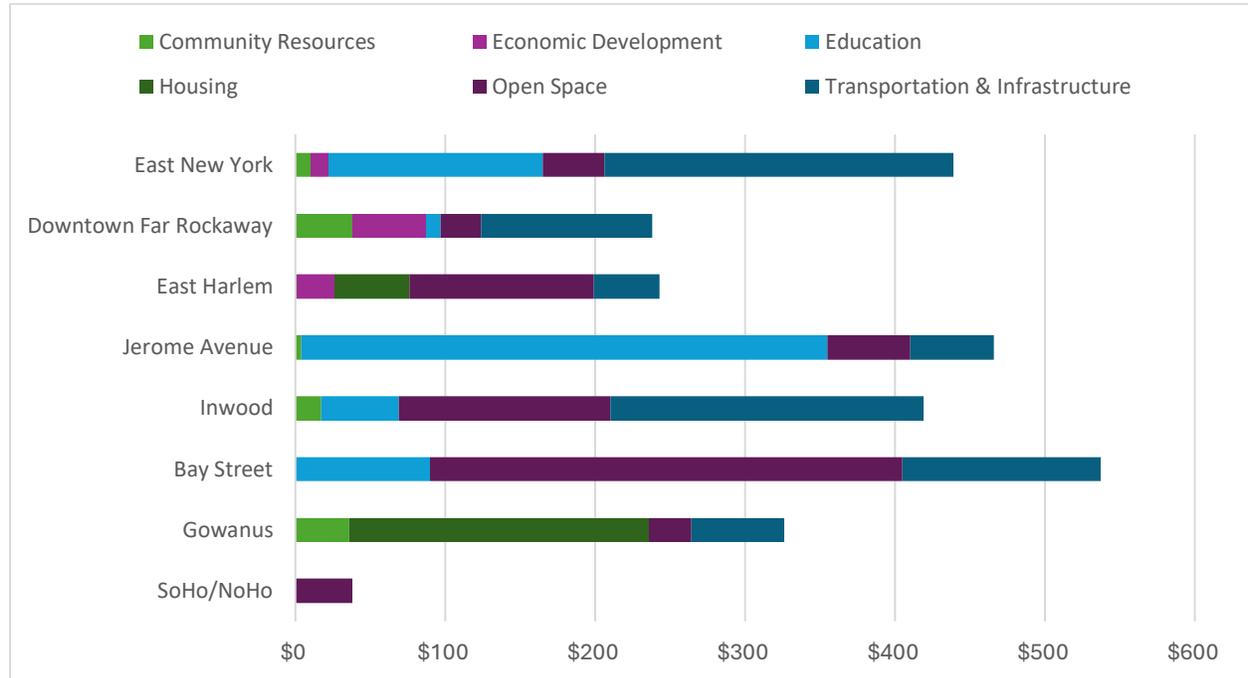
*New York City Independent Budget Office*

**Amounts Funded by Programmatic Area.** Each rezoning has a different share of funding for different programmatic areas, reflecting each community’s needs as identified and agreed upon during rezoning negotiations. The areas are defined in the NYC Rezoning Commitments Tracker. (Descriptions of each programmatic area can be found in Figure 5 of the Appendix.) Certain project categories appear for almost all rezonings: transportation & infrastructure, open space, and education. Transportation & infrastructure includes sewer projects, consistent with the NYC Rezoning Commitments Tracker. Figure 2 below details the dollar amounts committed for each rezoning by programmatic area.

Figure 2

**Transportation & Infrastructure, Open Space, and Education Were Frequently the Largest of Capital POA Funding Pledges**

*Dollars in Millions*



SOURCE: IBO analysis of the Office of Management and Budget’s Fiscal Year 2024 September Capital Commitment Plan.

*New York City Independent Budget Office*

Pledges related to housing tend to fund NYC Housing Authority (NYCHA) repairs, which may be relevant for the South Jamaica Houses within the Jamaica rezoning area. Transportation pledges are mainly funded through the City’s Department of Transportation. Examples include improvements for streetscapes, pedestrian safety, or bike lanes. Ultimately, the breakdown of funding in each category will vary based on the needs identified by the community in consultation with City agencies through the planning process, and the resulting pledges negotiated between the Council Member and the Mayoral administration.

**Policy Pledges Have No Funding Stipulated.** IBO examined the number of each type of pledge under the eight POAs reviewed. As seen in Figure 3, the majority of POA pledges are policy pledges, indicating that they are not tied to any stipulated funding from the City. Defining specific dollar amounts, for capital POA pledges in particular, makes it easier to track progress on the pledges and hold the City accountable to fund related projects. Additional information on pledge quantities by type can be found in Figure 6.

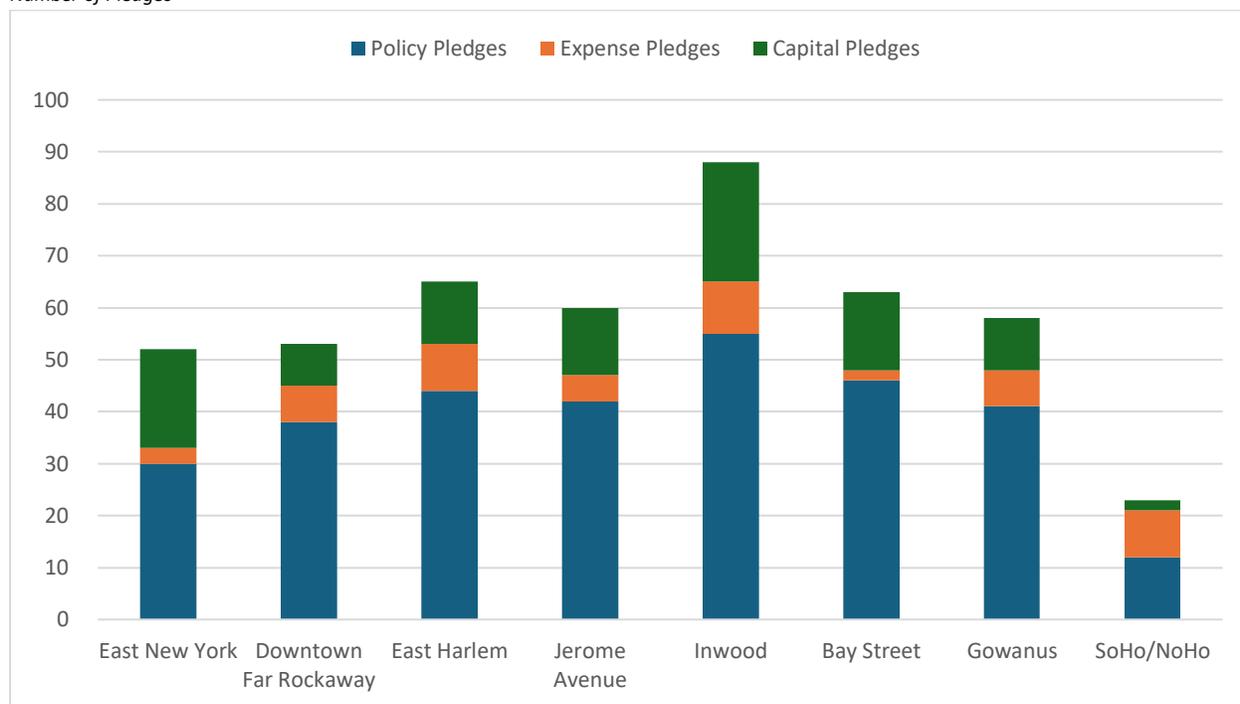
Most policy pledges relate to activities that require little to no funding, such as renaming parks, providing information to local businesses, or conducting a study. Other policy pledges, however, relate to projects that will have or would need capital funding but are not stipulated in the POA. There are a few reasons why these pledges are unstipulated policy pledges rather than stipulated capital pledges. One reason is that the pledge is to commence the planning of a future project, because the funding of the

project itself is contingent on various criteria being met; an example of this is a pledge in the East Harlem POA, which states “DSNY will immediately begin planning for a permanent, long-term facility to serve District 11 sanitation needs,” but the commitment of funds to the project is contingent on identifying a suitable site for the garage.<sup>3</sup> (For more, see [IBO’s analysis](#) of the East Harlem POA pledge regarding a new sanitation garage.) Another reason is that the pledge reaffirms as a priority a program or project that is already funded, such as the pledge in the Jerome Avenue POA: “Repave key streets along the corridor.”<sup>4</sup> The City can satisfy a policy pledge without adding funding to the budget; funding may be added later to fund a related project, but that is considered separate from the specific policy pledge. The lack of a stipulated dollar amount for policy pledges makes it more difficult to track progress and hold the City accountable to fulfill these promises.

Figure 3

**Most Pledges in Recent POAs Are Policy Pledges Without Funding Stipulation**

Number of Pledges



SOURCE: IBO analysis of [Rezoning Commitments Tracker](#) data maintained by the Mayor’s Office of Operations

New York City Independent Budget Office

**Neighborhood Development Fund.** Finally, IBO analyzed the Neighborhood Development Fund (NDF). Most of the infrastructure funding for neighborhood rezonings and POAs is in the capital budgets of City agencies. To supplement this agency funding, the de Blasio administration created the \$1 billion NDF in 2015. This special fund included \$703 million in dedicated infrastructure funding specifically for neighborhood rezonings, and \$329 million earmarked for citywide water and sewer infrastructure investments through the Department of Environmental Protection (which is outside the scope of this analysis). This neighborhood-specific portion of the NDF is held by the New York City Economic

Development Corporation (EDC), a nominally private, not-for-profit entity that is controlled by the mayor. The NDF is managed by the Department of City Planning.

IBO found that \$692 million of EDC’s neighborhood-specific portion of the NDF has been spent or budgeted. On average, NDF funds account for 26% of funding for the capital POAs included in this study. \$13 million of the neighborhood-specific NDF allocation remains. Per DCP, the remaining \$13 million is a result of early NDF projects being completed under budget, and these leftover funds will be used to support other projects that have been budgeted and to cover any cost overruns. It is unlikely that the NDF would account for much, if any, of the funding for Jamaica’s POA or that of future neighborhood rezonings.

The Adams administration has introduced the Strategy for Equity and Economic Development (SEED), an initiative intended to support the infrastructure and equity needs of the Administration’s five in-process rezonings. SEED projects are derived from community engagement with participation from capital agencies and OMB.<sup>5</sup> The SEED initiative is in its early stages with details about funding amounts forthcoming. While some funding has been added to the capital budget under the SEED initiative, to date there is no SEED funding related to the upcoming neighborhood rezonings.<sup>6</sup>

Figure 4  
**NDF Funding Represents One-Quarter of Budgeted Funding for Prior Neighborhood Rezoning, On Average**  
*Dollars in Millions*

	<b>NDF Funding</b>	<b>Total Capital Funding Budgeted</b>	<b>Share of Funding from NDF</b>
East New York	\$84	\$439	19%
Downtown Far Rockaway	\$31	\$238	13%
East Harlem	\$163	\$242	67%
Jerome Avenue	\$108	\$470	23%
Inwood	\$123	\$418	29%
Bay Street	\$145	\$537	27%
Gowanus	\$39	\$325	12%
SoHo/NoHo	\$0	\$38	0%
<b>Total</b>	<b>\$692</b>	<b>\$2,707</b>	<b>26%</b>

SOURCE: IBO analysis of the Office of Management and Budget’s Fiscal Year 2024 September Capital Commitment Plan  
 NOTE: The table above includes \$4.6 million in identified NDF funding related to policy pledges. As such, the “Total Capital Funding Budgeted” column has been updated to reflect these unstipulated amounts.

*New York City Independent Budget Office*

**Conclusion.** In this analysis, IBO found that almost all neighborhood rezoning POAs contained over \$250 million in capital pledges from the City, and that at least 70% of these pledges have been funded for each rezoning to date. These capital POAs represent a variety of project areas depending on local needs, but most frequently relate to open space, transportation & infrastructure, and education. The majority of pledges are considered “policy pledges,” with no funding stipulated in the POA. Capital pledges have specified dollar amounts indicating the approximate amount of funding that will be added to the capital

budget, providing a transparent metric for progress. Finally, only \$13 million of the neighborhood-specific NDF allotment remains. This makes the NDF an unlikely source of funding for future capital POAs. The SEED initiative may be a more viable source of funding for capital projects for upcoming neighborhood rezonings.

# Appendix

Figure 5  
**Descriptions of Programmatic Areas**

Community Resources	Construction and repair of community centers, public libraries, and other cultural institutions.
Economic Development	Improvements to industrial space, broadband access, commercial corridor enhancements, and redevelopment projects.
Education	Construction and repair of schools and associated facilities.
Housing	Investments and improvements to NYCHA developments and affordable housing generation.
Open Space	Construction and renovation of parks, playgrounds, greenways, waterfront infrastructure, and other recreational amenities.
Transportation & Infrastructure	Streetscape improvements, road resurfacing, enhancements to NYC Transit buses, and rehabilitation of sewer infrastructure.

SOURCE: IBO analysis of [Rezoning Commitments Tracker](#) data maintained by the Mayor’s Office of Operations  
NOTE: Programmatic Area titles are taken from the Rezoning Commitments Tracker, but IBO developed the above definitions based on our own understanding.

*New York City Independent Budget Office*

Figure 6  
**POA Pledge Quantities by Neighborhood and Funding Status**

	Policy Pledges	Expense Pledges	Capital Pledges	Total Pledges
East New York	30	3	19	52
Downtown Far Rockaway	38	7	8	53
East Harlem	44	9	12	65
Jerome Avenue	42	5	13	60
Inwood	55	10	23	88
Bay Street	46	2	15	63
Gowanus	41	7	10	58
SoHo/NoHo	12	9	2	23

SOURCE: IBO analysis of [Rezoning Commitments Tracker](#) data maintained by the Mayor’s Office of Operations

*New York City Independent Budget Office*

<sup>1</sup> City of New York. (December 2021). [Housing New York Final Report](#).

<sup>2</sup> NYC Department of City Planning. Jamaica Neighborhood Plan. [Jamaica Neighborhood Plan - One pager \(nyc.gov\)](#)

<sup>3</sup> City of New York. (2017). [East Harlem Compliance Commitments Council comments.pdf \(nyc.gov\)](#)

<sup>4</sup> City of New York. (2018). [Jerome-Ave-Compliance-Commitments.pdf \(nyc.gov\)](#)

<sup>5</sup> City of New York, Office of the Mayor. (June 1, 2022). [Mayor Adams Outlines Vision for "City of Yes," Plan for Citywide Zoning Initiatives to Support Small Businesses, Create New Housing, Promote Sustainability](#).

<sup>6</sup> See [press release](#) from the NYC Department of Housing Preservation and Development: “The Adams administration’s \$23.5 million investment in St. Andrew’s Playground includes \$13 million allocated through the New York City Strategy for Equity and Economic Development (NYC SEED) Fund, managed by DCP...”