



## CITY PLANNING COMMISSION

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September 11, 2013 / Calendar No. 10

C 130236 HAM

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**IN THE MATTER OF** an application submitted by the New York City Department of Housing Preservation and Development (HPD):

- 1.) pursuant to Article 16 of the General Municipal Law of New York State for:
    - a) the designation of property located at 335 East 27<sup>th</sup> Street (Block 933, Lots 10 and part of 25) as an Urban Development Action Area; and
    - b) an Urban Development Action Area Project for such area; and
  - 2.) pursuant to Section 197-c of the New York City Charter for the disposition of such property to a developer selected by HPD;
- to facilitate development of a mixed use building with approximately 55 dwelling units.
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Approval of three separate matters is required:

1. the designation of property located at 335 East 27<sup>th</sup> Street (Block 933, Lots 10 and part of 25) as an Urban Development Action Area;
2. an Urban Development Action Area Project for such area; and
3. the disposition of such property to a developer selected by HPD.

The application for the Urban Development Action Area designation, project approval and disposition of city-owned property was submitted by HPD on March 28, 2013. Approval of this application would facilitate the development of a mixed-use building with a total of approximately 55 dwelling units, including affordable housing, to be developed as “micro-units” and 678 square feet of commercial space.

HPD states in its application that:

The project area consists of underutilized vacant property that tends to impair or arrest the sound development of the surrounding community, with or without tangible physical blight. Incentives are needed in order to induce the correction of these substandard, unsanitary, and blighting conditions. The project activities would protect and promote health and safety and would promote sound growth and development. The project area is therefore eligible to be Urban Development Action Area Project pursuant to Article 16 of the General Municipal Law.

## **RELATED ACTION**

In addition to the Urban Development Action Area Project designation, project approval and the disposition of city-owned property which is the subject of this report, implementation of the proposed development also requires action by the City Planning Commission on the following application which is being considered concurrently with this application:

**C 130235 ZMM:** Amendment to the zoning map to extend an existing C2-5 commercial overlay across the development site from First Avenue to Mt. Carmel Place.

## **BACKGROUND**

The New York City Department of Housing Preservation and Development (HPD) is sponsoring a pilot program, entitled adAPT NYC, to examine the feasibility and utility of a new “micro-unit” housing prototype in New York City. The program stems from the City’s efforts to provide safe, quality, residential use, including affordable housing, for New York City’s changing demographics, particularly for one-and two- person households, which increasingly constitute a larger share of the population. As of 2010, one- and two-person households represented approximately 58% of the City’s households (1.8 million households out of a total of 3.1 million). In Manhattan, that number was 76.4%. Additionally, the growth rates between 2000 and 2010 of the one- and two-person household populations (3.4% and 6.2%, respectively) far exceed the 0.4% growth rate of households with 3 or more people. The adAPT program is a new initiative that explores innovative ways to facilitate additional choices within the City’s housing market in response to changing demographics to address the demand for increasingly diverse types of housing. While the adAPT NYC program would facilitate the first “micro-unit” project in NYC, this housing typology has been successfully developed or is also being examined in other cities, including London, Boston, Toronto, and Seattle.

The adAPT NYC program intends to facilitate the first “micro-unit” residential apartment building at 335 East 27<sup>th</sup> Street between First and Second avenues in Manhattan, to help meet the expected demand for this new housing typology. In order to facilitate the construction of the

new “micro-unit” apartment building, HPD requests two actions: a UDAAP designation, approval and disposition of city-owned-property and an amendment to the Zoning Map to extend an existing C2-5 commercial overlay across the development site.

HPD released a Request for Proposals (RFP) for this program in July, 2012. Criteria were established to ensure that the individual units would amplify the sense of openness, maximize natural light, and include operable windows; that the interiors were well designed and attractive, providing distinct areas for living, eating, and sleeping; and that all interior finishes were durable, high-quality materials, with efficient and attractive storage systems. Criteria were also designed to ensure that the “micro-unit” apartment building embraced its surrounding streetscape with active ground floor uses, ample transparent glazing and lighting, and an architecture that provided an attractive, emblematic façade that also complemented its surrounding context. In addition, it was critical that the building provided interior and exterior common areas that would be accessible to all residents and provide functional livable space. “Micro-units”, while generally 250 - 400 square feet in size, are complete housing units that include kitchens and bathrooms. When designed well, “micro-units” maximize space by allowing multiple or overlapping functions within the same area of the home and allowing for flexible arrangement and personalization of space. The RFP also sought to include the greatest achievable affordability at a range of incomes. In January, 2013, developers were selected.

The winning proposal incorporates the design and programmatic elements sought in the RFP. Through the development of this project, the City and others will learn about the viability and utility of “micro-unit” housing by examining the construction, operation, maintenance, occupancy, and overall satisfaction of the tenants in the building and neighbors who will live and work in the surrounding community.

The development site is an approximately 4,725 square foot lot located adjacent to a 26-story, 225-unit New York City Housing (NYCHA) apartment building in the Kip’s Bay neighborhood of Manhattan Community District 6. It is bordered by Mt. Carmel Place on the west, the 26-story NYCHA development on the north and east, and East 27<sup>th</sup> Street on the south. The portion of East 27<sup>th</sup> Street that borders the development site is a pedestrian way and not open to vehicular

traffic. Currently, the development site is an unused parking lot that has in the past had 12 spaces used by NYCHA staff and was formerly part of the now-expired Bellevue South Urban Renewal Area which designated it for residential use in 1971. It is within an R8 zoning district that allows a maximum 6.02 residential and 6.5 community facility FAR. The rest of the block is also zoned R8 and there is a C2-5 commercial overlay that allows a maximum 2.0 commercial FAR along First Avenue.

The proposed project would be developed as a 27,600 square foot, 9-story, building that would rise to a total height of 111 feet, with a streetwall height of 86 feet. The project would contain 55 micro-units ranging from 250-350 square feet each and the building would be built under the Quality Housing Program. The building would have approximately 5.9 FAR.

The residential lobby would be located on Mt. Carmel Place. Approximately 920 square feet of the ground floor is proposed to be programmed for a fitness center for the residents and would also contain a retail component of approximately 678 square feet which would open onto the East 27<sup>th</sup> Street Pedestrian Way. The cellar would contain 277 square feet of tenant storage, a 153 square foot laundry room, and a 347 square foot bicycle storage room. The cellar would also include a yoga/low energy fitness space of 294 square feet. The eighth floor would contain a 301 square foot common room, which will have a full kitchen and seating to allow tenants to host larger dinner parties. The tenants will also have access to two outdoor spaces: a 335 square foot patio located on the ground-floor at the back of the building along the East 27<sup>th</sup> Street Pedestrian Way, and a 757 square foot terrace accessible from the common room on the eighth floor and overlooking the pedestrian way.

The building would fully comply with all local, state, and federal housing regulations – including accessibility guidelines for people with disabilities. It would be one of the first multi-unit buildings in Manhattan built using “modular construction” whereby portions of the building would be constructed in a factory in Brooklyn and assembled on the development site.

The units would each contain a 16-foot-long overhead storage space and a full-depth closet.

Compact kitchens would contain a full-height pull-out pantry, a full-height fridge, range, and space for a convection microwave. Each unit would be comprised of two distinct zones: a “toolbox” containing a kitchen, bathroom and storage and a “canvas” providing ample, well-proportioned flexible space allowing for individual expression, and serving as the primary living and sleeping area. To provide enhanced access to light and air each unit would have floor to ceiling heights of 9’10” and the windows themselves would be 9’ tall.

Of the 55 units, 40% of them, or 22 units, would be affordable. There would be a range of incomes with 11 units targeted to individuals at 80% of Average Monthly Income (AMI), 5 units at 145% of AMI, and 6 units at 155% of AMI. The 80% AMI units are estimated to rent for \$1,115 per month, the 145% AMI units are estimated to rent for \$1,811 per month, and the 155% AMI units are estimated to rent for \$1,940 per month. The affordable units would be affordable for 30 years and the building would also subject to rent stabilization laws. Developers intend to apply for the City’s “421a” tax abatement program. In addition, the developers will seek LEED Silver certification for the building.

HPD is requesting UDAAP designation and project approval, which is the subject of this report, to facilitate the disposition of city-owned property/development site, and the construction of the proposed building. HPD has stated that the project area consists of underutilized vacant property that tends to impair or arrest the sound development of the surrounding community, with or without tangible physical blight, and that incentives are needed in order to induce the correction of these substandard, unsanitary, and blighting conditions.

HPD also seeks a zoning map amendment that would extend an existing C2-5 overlay from First Avenue to Mt. Carmel Place (a distance of 150 feet) on the north side of the East 27<sup>th</sup> Street Pedestrian Way at a depth of 100 feet. A C2-5 overlay will allow 2.0 FAR commercial and permit Use Groups 5-9 and 14. According to the applicant, the proposed overlay which facilitates commercial use, will increase street level activity along the East 27<sup>th</sup> Street Pedestrian Way and activate the ground floor which will improve the safety of the community.

The proposed development does not comply with the zoning requirements relating to number of

dwelling or rooming units (ZR Sec. 23-22), minimum dwelling unit size for Quality Housing buildings (ZR Sec. 28-21), wall location and height and setback regulations (ZR Sec. 23-633), planting areas for Quality Housing buildings (ZR Sec. 28-33), and lot coverage (ZR Sec. 23-145). In this instance, these provisions will be overridden by the Mayor (“mayoral zoning override”).

Many medical institutions, including Bellevue Hospital, NYU Langone Hospital and the Veteran’s Administration Hospital are located in the surrounding community. Residential uses predominate along Second Avenue in this area, but residential buildings vary greatly in size, with some large residential towers such as Kip’s Bay Towers (between East 33<sup>rd</sup> & East 31<sup>st</sup> Streets and First and Second Avenues) and the Phipps Houses (on the east side of Second Avenue from East 29<sup>th</sup> to East 26<sup>th</sup> Streets) and also low-rise (5-8 story) residential buildings. Many of the residential buildings along Second Avenue have commercial uses on the ground floor. The mid-blocks contain mixed-use buildings that are predominantly residential, with low rise (5-8 story) and tower developments.

## **ENVIRONMENTAL REVIEW**

This application (C 130236 HAM), in conjunction with the application for the related action (C 130235 ZMM), was reviewed pursuant to the New York State Environmental Quality Review Act (SEQRA) and the SEQRA regulations set forth in Volume 6 of the New York Code of Rules and Regulations, Section 617.00 *et seq.* and the City Environmental Quality Review (CEQR) Rules of Procedure of 1991 and Executive Order No. 91 of 1977. The designated CEQR number is 13HPD058M. The lead agency is the Department of Housing Preservation and Development.

After a study of the potential impact of the proposed action, a Negative Declaration was issued on April 8, 2013.

### **Uniform Land Use Review**

This application (C 130236 HAM), in conjunction with the application for the related action (C 130235 ZMM), was certified as complete by the Department of City Planning on April 8, 2013,

and was duly referred to Manhattan Community Board 6 and the Manhattan Borough President, in accordance with Title 62 of the Rules of the City of New York, Section 2-02(b).

### **Community Board Public Hearing**

Community Board 6 held a public hearing on this application on June 12, 2013, and on that date, by a vote of 33 in favor, 7 opposed, and 2 not entitled to vote adopted a resolution recommending disapproval of the application, stating that:

- The Board believed the small size of the units may invite “dorm” or “hotel” use.
- At the proposed approximate asking rents, the Board did not consider this project to be “affordable”.
- The construction of the building would require removal of 6 mature trees at 344 East 28 Street (the adjacent NYCHA housing complex) (although the Board noted that the developer had agreed to relocate to the satisfaction of the 344 East 28<sup>th</sup> Street Tenants’ Association)
- Although the developer agreed not to lease the first floor retail space to a bar or liquor store, and intends to lease to a café-type occupancy, the Board believed that an extension of the existing C2-5 overlay could allow for the introduction of other eating and drinking establishments that sell alcohol, which may create a negative impact on the area.
- HPD requested that the site qualify for the UDAAP as justification for the sale of the land, based on the site being designated a “blighted” site and the Board stated that the site is a vacant parking lot, but appears to be clean and well-maintained, and thus does not appear to be “blighted”.
- The Board believes that the Mayoral overrides (mayoral zoning overrides) are only permitted for city-owned property and, since, the development site will eventually be privately owned, believed that the Mayoral zoning overrides should not apply to this site.

### **Borough President Recommendation**

This application was considered by the Borough President, who issued a recommendation approving the application on July 17, 2013 with the following conditions:

- A disposition of city-owned property should “prioritize permanency” of the affordability of the units and the Commission and City Council should require the applicant to reach an agreement that would ensure the units to be permanently affordable.
- The affordability levels should be deepened and the affordable units should be advertised in the neighborhood.

- Determining the success of such a project should be based on clear metrics for evaluation, including gathering information about tenant demographics, the unit and building lifecycle and the quality of life provided by the micro unit project. A thorough analysis will help target possible future micro unit development to the market best served by affordable, small apartments, as well as identify future project sites. The approval of this project should be conditioned on the submission of a program evaluation methodology, including data collection, evaluation and reporting, on a regular basis, by the development team and/or management company to HPD and the Commission.
- The building management should vet sublease agreements thoroughly and take other appropriate steps to ensure that the tenants are using their apartments in accordance with their lease and New York City law.
- The development team must follow through on commitments to prohibit bar or liquor store use in the new retail space and mitigate soil (as the site had previously been used for industrial purposes) and traffic noise conditions.

### **City Planning Commission Public Hearing**

On July 10, 2013 (Calendar No. 6) the City Planning Commission scheduled July 24, 2013 for a public hearing on this application (C 130236 HAM). The hearing was duly held on July 24, 2013 (Calendar No. 30) in conjunction with the public hearings on the applications for the related action (C 130235 ZMM).

There were fourteen speakers in favor of the application and no speakers in opposition.

The Commissioner of HPD spoke of the need for the micro-unit proposal, describing the misalignment of the types of housing needed for one- and two-person households and that there is a shortfall of such units in the City's housing stock. He also noted the excellent response to the RFP and stated that in response to concerns raised during the public review process that HPD would continue to make its best efforts to increase the affordability of the proposed building.

A representative of the Mayor's Office stated that developing "micro-unit" housing would help retain talent in the City and compete with other global cities that have experimented with this type of housing. She then summarized the development of the RFP and selection process.

A representative of HPD described the details of the proposal, including the number of units, the required actions and the affordability program for the building. The representative also offered a framework for evaluation of the pilot.

A representative of the Citizens Housing and Planning Council described the demographic research that initiated the “micro-unit” concept, making the case that there is strong demand for this housing option across a broad spectrum of New Yorkers.

Two representatives of the development company provided additional information about the ‘micro-unit’ concept. They described the benefits of modular construction in terms of construction time and cost. The project architect described the design of the building and a representative of the management company outlined the proposed building security system, which includes a part-time concierge and a video camera.

A representative of the Partnership for NYC stated support for the proposal and noted it would help meet the needs of middle-income workers. The president of the NYC Chapter of the American Institute of Architects expressed support and noted that this proposal was an important pilot that opened the door for the development of a much-needed housing option. The founder of a website promoting better living through smaller spaces shared his personal experience living in small spaces and made the case that small spaces are better for sociability and the environment.

A representative of the Association for Affordable Housing Development demanded greater affordability levels and permanent affordability.

A representative of the Manhattan Borough President's office reiterated the Borough President’s conditional support for the proposal and detailed the Borough President’s conditions.

There were no other speakers and the hearing was closed.

## **CONSIDERATION**

The Commission believes that this application for UDAAP designation, project approval, and disposition of city-owned property (C 130236 HAM), along with the application for the related action (C 130235 ZMM), is appropriate.

The UDAAP action is an important first step in the development and evaluation of a new housing type that addresses the changing demographics of New York City's population. The proposed pilot project, which includes affordable units, is intended to provide a high quality innovative design to address the needs of small households which are growing in New York City. The Commission recognizes that the project is innovative in many ways and that the project is intended to provide a real-world understanding of the viability and worthiness of the small unit concept in New York City. The Commission further believes that the proposed project would enable this underutilized city-owned property to be developed.

The design of the individual units will be critical to the overall livability and tenant satisfaction within the proposed project. Features such as 10-foot ceilings, large 9-foot tall windows and Juliet balconies, a foldable bed to increase living space, a pull-out pantry, and storage located at the ceiling of the units are critical to ensure that the micro-units are versatile, livable and attractive. The Commission is pleased that the proposed design of the units will be recorded in the construction drawings and referenced in the Land Disposition Agreement between HPD and the developers. As such, the project incorporates the type of thoughtful design for individual residential units and common spaces that should serve as a model for potential future micro-unit housing, if they are found to be appropriate elsewhere.

This pilot project, as acknowledged during public review, in order to be successful, must incorporate a clearly articulated evaluation process that will help determine whether the pilot achieves its goals. The Commission is pleased that HPD, in its letters to the Commission dated August 1, 2013 and August 15, 2013, described a detailed evaluation framework that included

commitments to data collection, analysis, and reporting. Specifically, HPD, the developers, and the management company would collect annually information on residents' characteristics and demographics, market demand for micro-units, the financial management of the building, tenant experience and satisfaction, common space usage and the building's relationship to the neighborhood. This data would be analyzed by HPD, or a third party overseen by HPD, and an annual report would be provided to the Department of City Planning. The Commission believes that this data collection, analysis, and reporting will be critical in informing any public policy decisions, including zoning actions related to requirements for reducing minimum housing unit sizes.

The Commission believes that the common areas, both indoors and out, will be critical to the overall living experience in the building. The Commission notes that over 3,300 square feet of common area would be available in the building for socializing, relaxing, cooking, eating, and exercising, as well as more functional common areas such as a laundry room and bicycle storage. The Commission is pleased that the Regulatory Agreement between HPD and the developers will indicate that the common areas will be "easily accessible, free and open" for all residents of the building as stated in the HPD letter to the Commission dated August 15, 2013. The Commission also notes that a full description of the common spaces will be provided to tenants as part of the Lease Agreements.

The Commission notes that 40 percent of the units would be affordable to a range of incomes and that 20 percent would be affordable up to 80 percent of AMI. The Commission acknowledges that the provision of affordable housing is but one of the goals for this project, but is nonetheless concerned with the overall level of affordability. In response, HPD has committed, in their letters of August 1, 2013 and August 15, 2013, to explore programs and financing options that could permit deeper affordability of the units. The Commission encourages HPD to vigorously pursue strategies to make the project more affordable than currently proposed.

The Commission notes that the proposed building will be designed to actively engage the East 27<sup>th</sup> Street Pedestrian Way and fit in well with its surrounding context, and that the use of

modular construction will shorten the length of disruptions associated with construction activity. The north building façade will face the adjacent NYCHA building and will not allow for the number of windows or facade articulation that exists on the other three facades due to the location of the building core, but is pleased that the developer, in a letter dated July 30, 2013 from N Architects and a letter from HPD to the Commission dated August 1, 2013, has committed to using different patterns of brick color at certain levels of the building to enhance the appearance of the façade and make it less monotonous.

The Commission notes that in letters dated April 23, 2013 and August 1, 2013, HPD adequately addressed concerns about the proposed project becoming a dorm or hotel by outlining a monitoring and security strategy for the building, which includes a part-time building attendant, a virtual doorman, full-time superintendent, and electronic access fobs.

The Commission further notes that in response to Community Board 6 objections of the use of mayoral overrides, the New York City Law Department has determined use of the mayoral zoning override are appropriate.

The Commission believes that the rezoning of the site is appropriate. The proposed C2-5 overlay is consistent with the C2-5 overlay mapped immediately east of the site, on the west side of First Avenue from East 30<sup>th</sup> Street to a point halfway between East 24<sup>th</sup> and East 23<sup>rd</sup> Streets. The Commission notes that the commercial overlay will allow retail in the building which would activate the East 27<sup>th</sup> Street Pedestrian Way with the visual and safety benefits that go along with such activation.

The Commission believes the actions required to facilitate this innovative pilot program to introduce a new housing typology to New York City are appropriate and looks forward to the outcomes of the evaluation process to inform future discussions regarding the viability and utility of "micro-unit" housing.

## **RESOLUTION**

**RESOLVED**, that the City Planning Commission finds that the action described herein will have no significant impact on the environment; and

**WHEREAS**, the Department of Housing Preservation and Development has recommended the designation of property located at 335 East 27<sup>th</sup> Street (Block 933, Lots 10 and part of 25), as an Urban Development Action Area; and

**WHEREAS**, the Department of Housing Preservation and Development has also recommended the approval of an Urban Development Action Area Project for such property;

**THEREFORE, BE IT FURTHER RESOLVED**, that the City Planning Commission after due consideration of the appropriateness of the actions, certifies its unqualified approval of the following matters pursuant to the Urban Development Action Area Act;

- a. the designation of property located at 335 East 27<sup>th</sup> Street (Block 933, Lots 10 and part of 25) as an Urban Development Action Area; and
- b. an Urban Development Action Area Project for such area; and

**BE IT FURTHER RESOLVED**, the City Planning Commission, pursuant to Section 197-c of the New York City Charter, that based on the environmental determination and the consideration described in this report, the application of the Department of Housing Preservation and Development for the disposition of property located at 335 East 27<sup>th</sup> Street (Block 933, Lots 10 and part of 25), Community District 6, Borough of Manhattan, to a developer selected by HPD, is approved.

The above resolution (C 130256 HAM), duly adopted by the City Planning Commission on September 11, 2013 (Calendar No. 10), is filed with the Office of the Speaker, City Council, and the Borough President in accordance with the requirements of Section 197-d of the New York City Charter.

**AMANDA M. BURDEN, FAICP, Chair**

**KENNETH J. KNUCKLES, ESQ., Vice Chairman**

**RAYANN BESSER, IRWIN G. CANTOR, P.E.,**

**ALFRED C. CERULLO, III, BETTY Y. CHEN, MARIA M. DEL TORO,**

**MICHELLE R. DE LA UZ, JOSEPH I. DOUEK, RICHARD W. EADDY,**

**ANNA HAYES LEVIN, ORLANDO MARIN, Commissioners**

SANDRO SHERROD  
CHAIR

VICE-CHAIRS  
RICHARD EGGERS, 1<sup>ST</sup>  
CLAUDE L. WINFIELD, 2<sup>ND</sup>  
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TONI CARLINA  
DISTRICT MANAGER

BEATRICE DISMAN  
TREASURER

AARON HUMPHREY  
SECRETARY

**June 2013**

At the June 12<sup>th</sup>, Full Board meeting of Community Board 6 the following resolution was adopted:

**RE: DCP ULURP Applic. #C130236 HAM-adAPT NYC/Micro Units located at 335 E. 27<sup>th</sup> Street**

**Whereas**, a request for proposals (Adapt NYC RFP) was issued by the NYC Department of Housing Preservation & Development (HPD) for this site in the summer of 2012, for a pilot program to develop a new model of housing to address the City's changing demographics; and

**Whereas**, the development team selected was Monadnock Construction and The Actors' Fund, a non-profit group, with Architects (the Development Team of adAPT NYC/Micro Units); and

**Whereas**, HPD has made several presentations to Community Board Six (CB-6), both to the Housing, Homeless & Human Rights Committee (November and January meetings) prior to selection of the Development Team, and to the Land Use & Waterfront (LU&WF) Committee (each month, March thru June meetings), after selection of the Development Team, to present the adAPT NYC/Micro Units pilot program, winning scheme, "My Micro NY," and to answer questions; and

**Whereas**, in order to successfully facilitate this pilot program, HPD filed a ULURP application, seeking CB6 approval for (1) designation of the site as an Urban Development Action Area Project (UDAAP) as justification to sell city-owned property, (2) disposition (sale) of City-owned property, and (3) a zoning map amendment to extend an existing commercial overlay from First Avenue to Mount Carmel Place to allow commercial use on the first floor; and

**Whereas**, a public hearing was held by CB-6 on 8 May 2013; and

**Whereas**, HPD has stated that there are 1.8 million one- and two-person households in New York City and only one million studio and one-bedroom apartments to meet this need; and

**Whereas**, the aim of the adapt NYC/Micro Units pilot program is to meet the housing needs of this growing demographic of 1-2 person households in studios measuring 250 and 350 square feet where current Zoning Regulations allow for 400 SF minimum; and

**Whereas**, the developer assured CB-6 that the sublet and other clauses in their leases will be enforced, a maximum of 2 persons can legally occupy the units, illegal subletting will not be permitted, and each unit is for the exclusive use of the person named on the rental application; and

**Whereas**, in spite of these assurances, CB-6 believes the small size of the units may invite "dorm" or "hotel" use; and

**Whereas**, construction of the building will require removal of 6 mature trees at 344 East 28 Street (the adjacent NYCHA housing complex) which the developer has agreed to relocate to the satisfaction of the 344 E. 28 St. Tenants' Association, with whom they have met at least twice to discuss the building plans; and

**Whereas**, ‘My Micro NY’ will be a rental building including 34,006 gross square feet with 55 studio apartment units, and of the 55 units, 33 units will be market rate, and 22 of the units (40%) will be deemed affordable at income tiers ranging from 80% of Area Median Income (AMI) to 155% AMI, and the units remain affordable for 30 years; and

**Whereas**, at these levels, and at the proposed approximate asking rents, the LU&WF committee does not consider this project “affordable”; and

**Whereas**, ‘My Micro NY’ will also include roughly 3,000 square feet of common amenity space; 1,200 square feet of community space and 600 square feet of local retail (commercial) space; and

**Whereas**, the application requests CB-6 approval of a zoning map amendment to extend the existing C2-5 overlay to the development site in order to gain first floor commercial use; and

**Whereas**, although the developer agreed not to lease the first floor retail space to a bar or liquor store, and intends to lease to a café-type occupancy, an extension of the existing C2-5 overlay can allow for the introduction of other eating and drinking establishments that sell alcohol, which may create a negative impact on the area; and

**Whereas**, the LU&WF committee was concerned that E. 27 St. is a public street, but managed by the NYC Parks Department as a designated park area, and, as such, adheres to a closing time at 9 pm each evening; this issue appears to be resolved as a representative from Parks stated at the hearing that they will work with the building owner upon completion of construction and the street could remain accessible; and

**Whereas**, HPD requests that the site qualify for the UDAAP as justification for the sale of the land, based on the site being designated a ‘blighted’ site; and

**Whereas**, the site is a vacant parking lot, but appears to be clean and well-maintained, and thus does not appear to be ‘blighted’; and

**Whereas**, for the project to go forward, the development will require 7 Mayoral zoning overrides for density, minimum size of dwelling units, number of dwelling units permitted on site, building height, setback, planted areas, and lot coverage; and

**Whereas**, research by CB-6 reveals that while these overrides are not in statute, they are permitted by case law, but only for city-owned property; and

**Whereas**, the development site will be, upon issuance of building permit, privately owned, CB-6 believes the Mayoral zoning overrides should not apply to this site; and

**Whereas**, HPD explained that the disposition (sale) of the property would be subject to a Land Disposition Agreement (LDA) between NYC and the Developer that ultimately allows the city to re-take the site if conditions stated the LDA are violated; and,

**Whereas**, HPD explained that the LDA eventually expires but HPD retains some oversight; and

**Whereas**, since the LDA has not been drafted, CB-6 has no assurances as to what the LDA will say and how its provisions will be enforced;

**Now, therefore, be it**

**Resolved**, that Community Board Six objects to DCP ULURP Application #C130236 HAM-adAPT NYC/Micro Units located at 335 E. 27<sup>th</sup> Street.

**VOTE: 33 in Favor 7 Opposed 0 Abstention 2 Not Entitled**

# Borough President Recommendation

**City Planning Commission**  
22 Reade Street, New York, NY 10007  
Fax # (212) 720-3356

## INSTRUCTIONS

1. Return this completed form with any attachments to the Calendar Information Office, City Planning Commission, Room 2E at the above address.
2. Send one copy with any attachments to the applicant's representative as indicated on the Notice of Certification.

Application: **C 130235 ZMM and C 130236 HAM**

### Docket Description:

**IN THE MATTER OF** an application submitted by the NYC Department of Housing Preservation and Development pursuant to Sections 197-c and 201 of the New York City Charter for the amendment of the Zoning Map, Section No. 8d, by establishing within an existing R8 District a C2-5 District bounded by a line midway between East 28<sup>th</sup> Street and Pedestrian Way, a line 100 feet westerly of First Avenue, Pedestrian Way, and Mount Carmel Place, Borough of Manhattan, Community District 6, as shown on a diagram (for illustrative purposes only) dated April 8, 2013.

**IN THE MATTER OF** an application submitted by the NYC Department of Housing Preservation and Development:

1. pursuant to Article 16 of the General Municipal Law of New York State for:
  - a. the designation of properties located 335 East 27<sup>th</sup> Street (Block 933, Lots 10 and Part of 25), as an Urban Development Action Area; and
  - b. an Urban Development Action Area Project for such area; and
2. pursuant to Section 197-c of the New York City Charter for the disposition of such property to a developer to be selected by HPD;

to facilitate development of a mixed use building with approximately 55 dwelling units, Borough of Manhattan, Community District 6.

COMMUNITY BOARD NO:

6

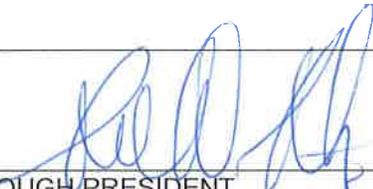
BOROUGH: Manhattan

## RECOMMENDATION

- APPROVE
- APPROVE WITH MODIFICATIONS/CONDITIONS (List below)
- DISAPPROVE
- DISAPPROVE WITH MODIFICATIONS/CONDITONS (Listed below)

EXPLANATION OF RECOMMENDATION – MODIFICATION/CONDITIONS (Attach additional sheets if necessary)

See Attached

  
BOROUGH PRESIDENT

7/17/2013  
DATE



THE CITY OF NEW YORK  
**OFFICE OF THE PRESIDENT**  
BOROUGH OF MANHATTAN

**SCOTT M. STRINGER**  
BOROUGH PRESIDENT

**July 17, 2013**

**Recommendation on  
ULURP Application Nos.: C 130235 ZMM and C 130236 HAM  
by the New York City Department of Housing Preservation and Development**

**PROPOSED ACTIONS**

In order to facilitate the development of the adAPT NYC micro units (“micro units”) mixed-use housing project in the Kips Bay neighborhood of Manhattan Community Board 6 (“CB 6”), the Department of Housing Preservation and Development (“HPD” or “the applicant”) and its designated development team, a partnership between Monadnock Development LLC (“Monadnock”) and Actors Fund Housing Development Corporation (“AFHDC,” together, “the development team”) seek the following land use actions:

1. **Disposition** of the development site by HPD to the selected developer (**C 130236 HAM**);
2. **Designation** of property located at 335 East 27<sup>th</sup> Street (Block 933, Lot 10, the “development site”) as an **Urban Development Action Area** (“UDAA”) and **Urban Development Action Area Project** (“UDAAP”) (**C 130236 HAM**); and
3. A **zoning map amendment** that would extend an existing C2-5 overlay and would apply to both the development site and to part of the adjacent zoning lot (Block 933, Lots 10 and p/o 25, the “project area”) (**C 130226 ZMM**).

*Disposition*

The development site will be conveyed to the development team as a part of the proposed land use actions in order to facilitate development of the proposed mixed-use facility.<sup>1</sup>

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<sup>1</sup> Section 197-c of the New York City Charter (“Charter”) mandates that the disposition of all City-owned real property be subject to ULURP. While no specific findings must be met to make a property eligible for disposition under Section 197-c, Section 1801 paragraph J of the Charter limits HPD to the disposition of residential real property.



Lot 10 on Block 993 is currently owned by the City of New York and is under the jurisdiction of HPD.

*Urban Development Action Area Project Designation*

City-owned properties that are no longer in use or are in deteriorated or deteriorating condition are eligible to be designated as UDAA and UDAAP, pursuant to the Urban Development Area Act (Article 16 of the State General Municipal Law). UDAA and UDAAP provide incentives, such as tax incentives and loans, for private enterprise to correct substandard, unsanitary and/or blighted conditions. According to New York State General Municipal Law § 694(4), in order for a project site to receive a UDAA and/or UDAAP designation, the City Planning Commission and the City Council must find that:

- (a) the present status of the area tends to impair or arrest the sound growth and development of the municipality;
- (b) the financial aid in the form of tax incentives, if any, to be provided by the municipality pursuant to [the Urban Development Area Act] ... is necessary to enable the project to be undertaken; and
- (c) the area designation is consistent with the policy and purposes [of the Urban Development Area Act].<sup>2</sup>

*Zoning Map Amendment*

The applicants seek to extend a C2-5 zoning district, within an existing R8 zoning district, from First Avenue to Mount Carmel Place. The district is proposed to be bounded by a line midway between East 27<sup>th</sup> and 28<sup>th</sup> streets, a line 100 feet to the west of First Avenue, the East 27<sup>th</sup> Street and Mount Carmel Place. C2-5 districts permit up to 2.0 FAR of commercial use.

*Mayoral Zoning Overrides*

In addition to the zoning actions requiring, the proposed project will also require mayoral override of Zoning Resolution (“ZR”) § 23-22 (Maximum Number of Dwelling Units or Rooming Units), § 28-21 (Quality Housing Program Size of Dwelling Units), § 35-22(b) (Residential Bulk Regulations in C1 or C2 Districts), § 35-24(b)(2)(i) (Special Street Wall Location and Height and Setback Regulations) and § 23-145 (Open Space and Floor Area Regulations for Quality Housing Buildings).

**PROJECT DESCRIPTION**

The proposed actions would facilitate the development of an approximately 30,018 gross square foot (“GSF”) residential development with ground floor local retail use, totaling 584 GSF. As proposed, the project would be developed as a 9-story building with 55 residential micro-units on the 2<sup>nd</sup> through 9<sup>th</sup> floors.

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<sup>2</sup> N.Y. Gen. Mun. § 691.

Twenty-two units (40%) are proposed to be designated as affordable to low and middle-income tenants earning 80, 145 or 155% of the area median income (AMI).<sup>3</sup> The remaining 33 units will be rented at market rate.

The project will be financed in part through the 421-a tax abatement program, and the 22 middle-income units will be guaranteed affordable for a period of 30 years. All of the micro units will be studio apartments measuring between 250 and 350 square feet (“SF”).<sup>4</sup> The residential lobby will be located on Mount Carmel Place. Residential amenities will include common spaces or sitting areas located on each floor, a common room leading to the roof terrace on the 8<sup>th</sup> floor, landscaped patio area at grade with seating, bicycle storage and a gym. It is the intent of the developer to distribute the affordable units throughout the building, such that there is no difference in unit size, location or amenities that could distinguish between the affordable and market rate units.

*Table 1*

**PROPOSED UNIT DISTRIBUTION AND ESTIMATED RENT BY INCOME**

UNIT TYPE	TOTAL UNITS	% OF TOTAL	MAX INCOME	MONTHLY RENT
80% AMI	11	20%	\$46,901	\$1,115
145% AMI	5	9%	\$74,733	\$1,811
155% AMI	6	11%	\$79,887	\$1,940
Market	32	58%	-	-
Super’s Unit	1	-	-	-
Total	55	100%	-	-

*Sources: Monadnock Development LLC and HPD*

The developer has expressed interest in leasing the retail space, which has an entrance on East 27<sup>th</sup> Street, to a café, and anticipates opening the ground floor amenity space, approximately 773 SF, to community groups as well as to residents.

**Development Site and Land Use Context**

The development site, at 335 East 27<sup>th</sup> Street, is a City-owned property under the jurisdiction of HPD. The lot is approximately 4,725 SF, and includes about 105 feet of frontage on the north side of East 27<sup>th</sup> Street and about 45 feet of frontage on Mount Carmel Place.<sup>5</sup> The site is additionally bounded to the north and east by a playground and planted area located on New York City Housing Authority (“NYCHA”) property. The NYCHA property is occupied by a single 26-story residential tower. The development site is currently a paved vacant lot that is used for NYCHA staff parking.

The project area is approximately 15,000 SF and comprised of the 4,275 SF development site and a 10,275 SF portion of the adjacent NYCHA-owned lot (Lot 25). It is located in the Kips Bay neighborhood in Community District 6. This section of East 27<sup>th</sup> Street is

<sup>3</sup> HPD currently uses the AMI set by the Department of Housing and Urban Development (HUD), which, for 2012, was \$58,100 for an individual.

<sup>4</sup> Current zoning regulations permit a minimum of 400 SF per unit.

<sup>5</sup> At 60 feet, Mount Carmel Place is considered to be a narrow street under the zoning resolution.

paved as a pedestrian walkway with trees and benches and is regularly closed to traffic.<sup>6</sup> The development site is on the westernmost corner of the project area within Block 933.

The project area was previously part of the now-expired Bellevue South Urban Renewal Plan, which was created in 1963 and subsequently amended several times.<sup>7</sup> According to the applicants, the development site was originally part of a larger area designated for public use, but was changed to residential use in a 1971 revision. The immediate surrounding area contains primarily a mix of multi-story mixed-use buildings, large-scale health care and educational institutions, multi-family residential towers as well as open space, including Bellevue South Park, located across Mount Carmel Place from the development site.

The surrounding neighborhood is comprised of R8, R8A, R8B and R7B zoning districts, as well as equivalent commercial districts, including C1-9, C2-8 and C6 zoning districts. These districts create a context of high-rise housing with ground floor commercial uses, and include both towers-in-the-park and quality housing buildings. The project area is currently zoned R8, which is a high density, residential district that allows a maximum residential floor area ratio (“FAR”) of 6.02<sup>8</sup> and a maximum community facility FAR of 6.5.<sup>9</sup> Additionally, R8 districts accommodate a range of apartment house typologies, ranging from mid-rise 8- to 10-story buildings to taller, narrower buildings set back from the street line. The applicants do not propose to change the underlying zoning district. However, they propose extending an existing C2-5 commercial overlay district, which is mapped to a depth of 100 feet on the west side of First Avenue between East 27<sup>th</sup> and 28<sup>th</sup> streets.

### **Project Background and Development Team**

In July of 2012, HPD issued the adAPT NYC request for proposals (“RFP”) for compact apartments, known as “micro units,” that could accommodate the smaller, one- and two-person households that make up a large share of the city’s population. Through a juried selection process, HPD selected Monadnock Development LLC and AFHDC to develop a design by nArchitects that emphasizes quality of life and utilizes prefabricated modular construction. Monadnock Development’s sister company, CAPSYS Corp., manufactures large-scale fireproof steel and concrete modular residential units in its factory located within the Brooklyn Navy Yard.

### **Mayoral Zoning Overrides**

The ULURP actions requested by the applicant are not sufficient to carry out the project as proposed, and the applicant has received approval from the Office of the Deputy

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<sup>6</sup> This section of East 27<sup>th</sup> Street is closed to traffic and maintained as a Pedestrian Way by the Department of Transportation (“DOT”).

<sup>7</sup> The Bellevue South Urban Renewal Project began in 1959 and encompassed a 17-block area stretching from East 23<sup>rd</sup> to East 30<sup>th</sup> streets between First and Second avenues.

<sup>8</sup> Up to 7.02 for buildings built under quality housing regulations on a wide street within the Manhattan core.

<sup>9</sup> R8 districts permit residential and community facility uses in Use Groups 1-4.

Mayor for Economic Development to proceed with the proposed development despite noncompliance with the Zoning Resolution.<sup>10</sup> Specifically, the applicant has received the waivers described below.

*§23-22 Maximum Number of Dwelling Units or Rooming Units*

The RFP for the micro unit project both encouraged the utilization of all available FAR for the development site as well as required that a minimum of 75% of the dwelling units be micro units. This combination of criteria made it necessary for any proposal to exceed the required number of dwelling units pursuant to zoning. Only 38 dwelling units would be permitted under zoning; the difference between the number of units permitted without a waiver or zoning override and the proposed number of units represents nearly the entire portion of affordable housing units.

*§28-21 Quality Housing Program Size of Dwelling Units*

For the proposed project, the City will allow the development team to ignore zoning prohibitions on new-construction dwelling units of less than 400 SF. The micro unit model, which includes a compact living area with a kitchen and bathroom, by definition defies current zoning regulations for dwelling unit size. Overriding this provision will not create any conflicts with the New York City Building Code in the project as proposed.

*§35-22(b) Residential Bulk Regulations in C1 or C2 Districts and §35-24(b)(2)(i) Special Street Wall Location and Height and Setback Regulations<sup>11</sup>*

ZR §35-24 requires a maximum building height of 105 feet and a 15-foot setback at a height not lower than the 60-foot minimum and not higher than the 80-foot maximum base height.<sup>12</sup> The proposed building rises to a height of 86 feet before setting back a variable 8-10 feet from Mount Carmel Place and 15 feet from the East 27<sup>th</sup> Street. The building then rises to a maximum height of 111 feet.<sup>13</sup> The waiver is necessary to accommodate the modular construction. While the floors have a 9-foot 10-inch floor-to-ceiling height, the modular construction requires each module has its own ceiling and floor, thereby increasing the height.

*§28-33 Planting Areas*

The zoning resolution requires plantings in the area between the street line and the street wall of a residential building constructed. For the proposed project, the total area between the street line and the street wall is 639.2 SF, including the variable street wall of the building's Mount Carmel Place frontage. The developer intends to include some plantings and landscaping in the ground level patio provided for residents, but not at the street line.

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<sup>10</sup> Approval memorandum from Deputy Mayor Robert K. Steel to HPD Commissioner Mathew Wambua, April 8, 2013.

<sup>11</sup> The applicant's EAS refers incorrectly to a waiver of ZR §23-633. The approved zoning override for the proposed development, per the April 8, 2013 memorandum from Deputy Mayor Robert Steel, which takes into account the extension of the C2-5 zoning district overlay.

<sup>12</sup> ZR §35-24 Table B.

<sup>13</sup> Maximum height of 126 feet including the bulkhead.

*§23-145 Open Space and Floor Area Regulations for Quality Housing Buildings*

As proposed, the project will produce a building with lot coverage of 3,864 SF, which is in excess of the maximum allowed under zoning by 264 SF.<sup>14</sup> The requested override accommodates sufficient floor area to permit one additional micro apartment unit per floor (a total of 8 units), again enabling the project to provide the full 22 units of affordable housing. As a result, permitting the building to exceed the maximum lot coverage is critical for the maintenance of the full affordable housing program.

## COMMUNITY BOARD RECOMMENDATION

At a meeting of the full board on June 12, 2013, Community Board 6 adopted a resolution to **disapprove** the proposed project, with 33 voting in favor of the resolution, 7 opposed, no abstentions and two not entitled. While CB 6 did not condition its disapproval of the project, key concerns of the Community Board included:

- The potential of the project to encourage a dormitory or hotel-type use due to the small size of the apartment units, thereby bringing a transient population;
- The loss of mature trees on the adjacent NYCHA property;
- The minimal degree of affordability that may be represented by the income bands (i.e. 80, 145 and 155% of AMI) and 30-year period of affordability;
- The potential for unintended negative environmental impacts associated with the C2-5 district extension that would enable eating and drinking establishments; and
- The application of Mayoral zoning overrides to a site that will ultimately be privately owned.

## BOROUGH PRESIDENT'S COMMENTS

The proposed micro unit development is designed to provide both affordable and market-rate housing opportunities and choices to an underserved market of one- and two-person households while testing the application of an innovative new housing model in the challenging Manhattan real estate market. Generally, the development site consists of underutilized, vacant City-owned land and requires inducement through incentives, including disposition of the land, in order to promote growth.

City-owned properties suitable for the development of affordable housing are increasingly scarce, particularly in the Borough of Manhattan; any disposition proposed by City agencies should represent a clear public benefit, such as that generated by the creation of affordable housing units. The proposed pilot project is generally appropriate, as it would serve a market of 1.8 million small households by expanding the housing choice available to single- and two-person households. As noted in the Borough President's report *Start-Up City*, micro units have the potential to meet the needs of New York City's creative class and could reduce demand on larger family-sized units.

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<sup>14</sup> The maximum allowable lot coverage for the corner lot portion of the project area (4,500 SF) is 3,600 SF.

While there is a need to develop a wide range of housing typologies to meet the demand of New York City's growing population, the growth of smaller households presents a challenge for our city's existing housing stock, particularly with regard to affordable units. Single-person and couple-only households make up more than 65% of the total households in Manhattan,<sup>15</sup> and in CD 6, the majority of households are comprised of a single person living alone (54.2%) or a couple without children (32.0%).<sup>16</sup> HPD expects that the single-person and couple-only households this project aims to target will cut across all ages, income levels and other demographic characteristics.

### **Affordability**

The adAPT NYC micro unit project proposal includes the critical provision of a number of affordable housing units. However, the term of affordability anticipated for the 22 units created through this project is only 30 years. After 30 years the units will become market rate after vacancy. Dispositions permanently extinguish city resources and the City, therefore, has a responsibility to ensure the sale is for the highest and best public use.

Any disposition of city-owned property for affordable housing should prioritize permanency. The short-term expiration restrictions on affordable units do not create a long-term public good. By only protecting the affordability for a fixed term, the city will shift the problem of affordability to later generations.<sup>17</sup>

CB 6 requested deeper affordability than the current 80%, 145% and 155% income bands. While deepening the income bands may require participation in other affordable housing programs, the applicants should meet this goal if possible. As with all HPD projects, CD 6 residents will have a priority for 50% of the affordable units. The percentage of units inhabited by CD 6 residents, however, can exceed 50%, particularly if the units are widely advertised in the local community. The applicants should work with the community board, elected officials and community groups to ensure that the affordable units are advertised in the neighborhood.

New York City should not miss any opportunity to encourage its private sector partners to maximize the return on City investment, even if that means investing more now to reap greater benefits in the future. The applicants should explore whether additional programs can be applied to increase the level of affordability. Additionally, the CPC and City Council should require the applicant and the development team to reach an agreement

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<sup>15</sup> Sarah Watson, Deputy Director of the Citizens Housing Planning Council, testimony to CB 6 on June 12, 2013.

<sup>16</sup> 2010 Census, U.S. Census Bureau; for summary data for CD 6, see <http://www.nyc.gov/html/dcp/pdf/lucds/mn6profile.pdf>

<sup>17</sup> According to a 2011 evaluation of Mayor Bloomberg's New Housing Marketplace Plan ("NHMP") by the Association for Neighborhood and Housing Development, starting in 2017, the city will be at risk of losing an annual average of 11,000 units built with City subsidy under NHMP, and by 2037, the city could lose the affordability of a number of housing units equivalent to those created by the program. <http://www.anhd.org/wp-content/uploads/2011/07/Real-Affordability-Evaluation-of-the-Bloomberg-Housing-Program2.pdf>

that will ensure permanent affordability of the affordable units created by this unique pilot project.

### **Require Pilot Project Evaluation**

With any level of public investment, including, but not limited to, financial incentives and waiving of zoning regulations, project evaluation should be undertaken to determine the effectiveness of a project with particular emphasis on understanding public benefit and community impact.

A pilot project of this nature represents a unique and significant opportunity to gather data about the market and operation of a micro unit housing development that can provide critical insight for future projects—and even for catalyzing future policy changes and amendments to the Zoning Resolution. Determining the success of such a project should be based, however, on clear metrics for evaluation. Appendix A outlines sample indicators that aim to gather information about tenant demographics, the unit and building lifecycle and the quality of life provided by the micro unit project. A thorough analysis will help target possible future micro unit development to the market best served by affordable, small apartments, as well as identify future project sites.

The approval of this project should be conditioned on the submission of a program evaluation methodology, including data collection, evaluation and reporting, on a regular basis, by the development team and/or management company to HPD and the CPC.

### **Mayoral Zoning Overrides**

Broadly, the practice of utilizing zoning overrides is not only common to facilitate government development projects that serve a public purpose, but has also been long recognized by New York State courts.<sup>18</sup> Historically, the ability of municipal governments to site public facilities without regard to zoning was utilized for strictly governmental purposes, such as schools, police stations or prisons. The decision in a 1988 case, *Matter of Monroe*, 72 N.Y.2d, dismantled the simplistic definition of governmental uses that had increasingly left out other types of public purpose projects, like health facilities and affordable housing. The *Monroe* case established a balancing test that continues to be the basis for New York City’s decisions regarding the applicability of zoning overrides, which stresses:

- need for the project;
- importance of maintaining existing zoning restrictions beyond the site designated for zoning override,
- cost-benefit and alternative analysis; and

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<sup>18</sup> *Nehrbas v. Incorporated Village of Lloyd’s Harbor*, 2 N.Y.2d 190 (1958) established a distinction between “governmental” and “entrepreneurial” purposes that differentiated between purely governmental services like prisons and services with a private sector equivalent like parking garages or markets.

- opportunity for public comment.<sup>19</sup>

The New York State Court of Appeals most recently ruled that the State's immunity from zoning laws could apply to private entities contracting with the State, as long as the balancing test is satisfied. *Crown Commun. N.Y., Inc. v. DOT*, 4 N.Y.3d 159 (2005); *Town of Hempstead v. State of New York*, 840 N.Y. 2d 123, 127 (2007).

Further, zoning overrides are generally appropriate in this case because it is critical that the existing zoning be maintained outside the project site, and that amendments to the zoning resolution not be made prior to the opportunity to evaluate the success of the micro unit pilot. Absent a permanent change to the City's Zoning Resolution, these zoning waivers would be necessary in order to construct similar micro unit housing developments.

### **Addressing Anticipated Impacts and Meeting Community Concerns**

Following completion by the applicants of the Environmental Assessment Statement ("EAS"), HPD issued a negative declaration for the proposed project on April 4, 2013. Generally, the proposed land use actions sought by the applicant in order to facilitate the development of the micro unit project are appropriate for a project that generates both economic and public benefit. This section addresses potential environmental impacts, community concerns and commitments by the applicant and the development team.

#### *Land Use Impacts of R8/C2-5 Zoning Change*

The land use modification sought by the applicants and subject to ULURP is consistent with the zoning and uses in the surrounding neighborhood. As a result, no significant adverse land use impacts will result from the project as proposed. Allowing commercial uses is not only consistent with the surrounding area, but it will serve to enliven the streetscape around the base of the proposed building and for the residents of the adjacent NYCHA development.

Additionally, the zoning change includes a portion of Lot 25, the adjacent lot that houses the NYCHA building. NYCHA has indicated that the authority has no intention to develop its site further. Therefore, the only anticipated impact of the extension of the C2-5 overlay district is to enable commercial uses in the small ground floor retail space within the proposed micro unit development.

However, the community board raised concerns that the proposed retail space could become a bar or liquor store. To address this, the applicant and development team have agreed to include a limitation in the land disposition agreement ("LDA") that prohibits bars or liquor stores.

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<sup>19</sup> Memorandum on the new procedure for zoning override from Bill Valletta, Office of the Council to the New York City Department of City Planning to Sylvia Deutsch, et. al., July 10, 1989.

### *Building Management*

The community board expressed concern regarding the potential of the project to encourage a dormitory or illegal hotel-type use due to the small size of the apartment units, thereby bringing a transient population to the neighborhood. Given the high rates of illegal hotels in Manhattan, this concern is legitimate.

The applicant and the development team have reasonably demonstrated that they are committed to creating a stable, permanent residential building. The development team has selected Cooper Square Management to manage the property, with the goal of keeping an on-site presence (the building includes a super's unit) as well as ensuring best management practices are followed. The building management should vet sublease agreements thoroughly and take other appropriate steps to ensure that the tenants are using their apartments in accordance with their lease and New York City law.

### *Construction*

Construction of the project will result in the loss of seven mature trees on the adjacent NYCHA property in order to excavate for the foundations of the proposed building. HPD responded in writing and in testimony to CB 6 that they will replace the trees in consultation with NYCHA and the community board.

With the exception of the impact on area trees, the construction impacts caused by the project will be minimized due to the prefabricated modular construction method, which will reduce the construction timeline and traffic, relative to traditional, on-site construction methods.

### *Hazardous Materials and Noise*

The negative declaration issued for the project includes a requirement that the applicant and development team conform to detailed provisions regarding hazardous materials and noise attenuation. Generally, the development site was historically used for industrial purposes that may have affected soil and groundwater. The applicant will be required to carry out the appropriate subsurface investigations, working with the New York State Department of Environmental Conservation ("NYSDEC"). In addition, current site conditions include a high level of traffic noise that must be mitigated through window and wall attenuation to ensure appropriate interior noise levels. Both provisions will be included in the LDA between the applicant and the development team.

### **Conclusion**

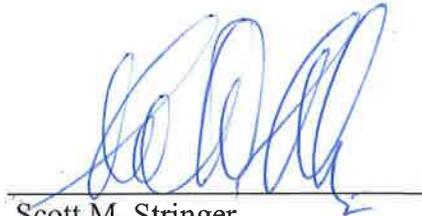
The proposed micro unit project is an innovative approach to creating housing choice and affordability for a segment of the City's population that is often underserved by the existing housing supply. However, because affordable housing development requires public investment, it is critical that the applicant and development team work to provide the affordable component of this project in perpetuity in order to maximize taxpayer and community benefit, thereby setting an important precedent for future micro unit developments based on the likely success of this project.

Further, the determination of the project's impact should be based on a formal evaluation methodology. Demonstration of the successes and failures of this unique pilot should be driven by market, project lifecycle and quality of life data. At present, the project must rely on zoning overrides, but a successful pilot may serve to catalyze policy and regulatory change.

## **BOROUGH PRESIDENT'S RECOMMENDATION**

**In consideration of the above, the Manhattan Borough President recommends conditional approval of ULURP application numbers C 130235 ZMM and C 130236 HAM provided that the applicant:**

- 1. Increases the affordability levels;**
- 2. Implements permanent affordability for all affordable housing units;**
- 3. Creates an appropriate evaluation methodology; and**
- 4. Requires the development team to follow through on commitments to prohibit bar or liquor store use in the new retail space, replace the lost mature trees and mitigate soil and noise conditions.**



Scott M. Stringer  
Manhattan Borough President

## *APPENDIX A*

### **SAMPLE INDICATORS FOR PILOT HOUSING PROJECT EVALUATION**

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#### TENANT DEMOGRAPHICS

Affordability	Household income (total/per person) % of total AMI Rent as % of income Discretionary spending per month Wages as source of income (% of households) Guarantor or co-signer
Household Makeup	Household size Children Occupant age(s)
Social Diversity	Gender Race/ethnicity Disability or health needs Educational attainment Occupation
Access to Units	Months since moved in Months on waiting list Months NYC resident

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#### UNIT AND BUILDING LIFECYCLE

Unit Characteristics	Occupants per unit Rent per month Utility costs and usage Repairs record Sublease characteristics Vacancy record
Building Characteristics	Capital costs Operating expenses Annual rent documentation Retail rent documentation

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#### QUALITY OF LIFE

Environment	Access to open space Noise Length and mode of commute Own car or bicycle?
Community Development	Neighborhood satisfaction Safety Proximity to facilities Engage in neighborhood activities
Building Amenities	Quality Frequency of use Rent storage unit

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August 1, 2013

Honorable Amanda M. Burden, Chair  
Members, New York City Planning Commission  
22 Reade Street  
New York, NY 10007

Re: adAPT NYC – Applications C130235ZMM and C130236HAM

Dear Chair Burden and Members of the Commission:

The Department of Housing Preservation and Development (HPD) is pleased to continue the efforts of our City partners and the adAPT NYC initiative through this ULURP application to facilitate the My Micro NY pilot project. The goal of adAPT NYC is to develop a new model of housing, called micro-units, that will respond to the City's changing demographics. Currently, the City's existing housing stock is misaligned with the increasing number of one- and two-person households. There are 1.8 million one- and two-person households and only one million studios and one-bedrooms to meet this housing demand. The My Micro NY project responds to this housing need by piloting the development and operation of a micro-unit building to serve small households. The My Micro NY project provides affordable and livable space for small households, with appealing interior design features like 9'-10" ceiling heights, large windows that open onto a Juliette balcony, ample in-unit storage, and common amenity space.

This letter addresses the thoughtful questions that Commissioners raised during the July 24<sup>th</sup> public hearing.

### **Small Household Population Demographics**

The Commission asked for information about the demographics of New York City's small household population. HPD and Citizens Housing and Planning Council will provide the Commission with a summary by the August 5<sup>th</sup> CPC review session.

### **Market Data**

The Commission asked for more data about the proposed micro-unit rents in comparison to other small apartments around Community District 6 and Manhattan. Monadnock Development (the developer) predicts that market-rate micro-units will rent for approximately \$2,100 per month, or \$87 PSF per year. Micro-units that are affordable to households at 80% of AMI or



less will rent for approximately \$1,115 per month, or \$46 PSF per year.<sup>1</sup> However, it is misleading to compare micro-units on the basis of rents PSF, as micro-units have a higher percentage of costly building infrastructure (i.e., plumbing, appliances, etc.) per square foot than regular apartments. It is more instructive to focus on monthly rents.

The expected rent for market-rate micro-units is substantially lower than comparable apartments. Based on a sampling of data, the average studio apartment in Kips Bay and surrounding neighborhoods is \$2,400 to \$2,500 per month. According to the private brokerage firm Citi-Habitats, the average monthly rent for a Manhattan studio in a new development with a doorman is \$3,225 per month. At \$2,100 per month, a newly-constructed, market-rate micro-unit with a lobby attendant would be substantially less expensive than comparable housing options. At these price points, micro-units represent an attractive and less expensive alternative for households who want to rent their own space, rather than share a larger, multi-bedroom unit with others.

### **Preventing Transient Uses**

Concerns were raised regarding the potential for tenants to sublet apartments for short-term use. HPD and the development team are committed to ensuring that transient uses and illegal subletting do not occur. Cooper Square Realty, the project's property manager, will use lease terms and building security to prevent transient uses and other illegal practices.

#### Lease Terms

My Micro NY tenants will have standard residential leases, which forbid illegal hotel and transient uses. Additional lease provisions will limit visitors to staying with tenants for no more than 30 days and require that the tenant be present during the visitor's entire stay. Occupancy requirements will also be specified in the lease, allowing for the eviction of tenants who contribute to an overcrowded living situation.

#### Building Security

Building personnel and technology will also prevent transient uses. My Micro NY will have a part-time lobby attendant, virtual doorman, and full-time building superintendent. Each resident will have their photo taken and the building personnel will acquaint themselves with the residents of the building, enabling them to recognize strangers and visitors. My Micro NY will also utilize electronic access fobs, which cannot be duplicated and are highly effective in monitoring and controlling access to the building.

HPD is responsible for enforcement of the Housing Maintenance Code and will have enforcement oversight for illegal uses, as it does for all multi-family buildings in New York City.

### **Affordability**

During the public review process, the Community Board, the Borough President, and the Commission expressed the desire for the My Micro NY project to achieve deeper affordability. HPD is committed to exploring ways to target lower incomes through the use of competitive financing, existing HPD subsidy programs, tax incentive programs, and/or a reduction in

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<sup>1</sup> This calculation for the affordable apartments is based on 2013 HUD incomes and will be updated to reflect current HUD income guidelines when the building opens.



acquisition price. The development team has provided alternate financing proposals, which we are currently reviewing.

### **North Façade**

The Commission asked about ways to enhance the north façade of the building. HPD and the development team were sensitive to the appearance of the north wall of the building during the initial design process. Given the placement of the stairwell, elevator shaft, and trash chute along the northern side of the building, the current number and configuration of windows maximizes the number of windows that can be placed on the north façade. However, the development team is exploring the use of different patterns of brick color which will enhance the appearance of the façade while staying true to the original design concept. These proposed changes will be presented at the August 5<sup>th</sup> review session.

### **Evaluating the Pilot**

We agree wholeheartedly with the Commission that it is important to evaluate the success of the My Micro NY pilot project to inform future projects and public policy decisions. HPD has been working closely with our City partners and the development team to develop an evaluation framework for the My Micro NY project. We have identified opportunities to collect primary data at various points in the leasing process and residency.

#### Primary Data

Primary data will capture:

- (1) Resident characteristics and demographics;
- (2) Market demand for micro-units, distinguishing between market-rate and affordable units;
- (3) Financial health of the micro-unit building;
- (4) Tenant experience, including usage and upkeep of common areas and reasons for moving in and out of the building; and
- (5) Micro-unit building's relationship to the neighborhood.

#### Process

Primary data will be collected through a variety of sources:

- (1) Lottery for the affordable housing units to understand demand for the affordable units and demographic characteristics of applicants;
- (2) Annual tenant survey that will be provided at the time of lease signing and at lease renewal to assess level of satisfaction with the apartment, common areas, and building management;
- (3) Exit interview to determine the reason that the tenant is moving out of the building;
- (4) Data from electronic access fobs to measure usage of common areas;
- (5) Annual rent roll and Maintenance and Operations (M&O) reports provided to HPD per the Regulatory Agreement to measure the financial health of the building; and
- (6) Reports from NYPD or 311 to identify any complaints tied to the building.



The City team and the development team will work closely in developing the survey instruments, compiling and analyzing data, and reporting on findings once the building is occupied. Data from the marketing lottery will be available before the building receives its Certificate of Occupancy.

Thank you for your consideration of these materials. We look forward to working with the Commission as we continue to improve the plans for the My Micro NY project.

Sincerely,

*Beatriz de la Torre*

*BTW*

Beatriz de la Torre

Cc:

Honorable Amanda M. Burden, Chair

Honorable Leroy G. Comrie, Jr., New York City Councilmember, Chair, City Council Land Use Committee

Honorable Mark S. Weprin, New York City Councilmember, Chair, City Council Subcommittee on Zoning and Franchises

Honorable Rosie Mendez, New York City Councilmember, 2<sup>nd</sup> District

Brian Cook, Director of Land Use, Office of Manhattan Borough President

Edith Hsu-Chen, New York City Department of City Planning

Adam Wolff, New York City Department of City Planning

Dominick Answini, New York City Department of City Planning

Sandro Sherrod, Chairman, Community Board #6

Nicholas Lembo, Monadnock Development

Kirk Goodrich, Monadnock Development

Mathew M. Wambua, Commissioner, New York City Department of Housing Preservation and Development

RuthAnne Visnauskas, Deputy Commissioner, New York City Department of Housing Preservation and Development

Thehbia Walters, New York City Department of Housing Preservation and Development

**NYC**



August 15, 2013

Honorable Amanda M. Burden, Chair  
Members, New York City Planning Commission  
22 Reade Street  
New York, NY 10007

Re: adAPT NYC – Applications C130235ZMM and C130236HAM

Dear Chair Burden and Members of the Commission:

The Department of Housing Preservation and Development (HPD) is pleased to continue the efforts of our City partners and the adAPT NYC initiative through this ULURP application to facilitate the My Micro NY pilot project. This letter is a follow up to our letter dated August 1, 2013 and the comments raised by the Commissioners during the August 5<sup>th</sup> review session.

### **Affordability**

As noted in the August 1st letter, HPD and the development team are exploring certain programs and financing options that would help permit deeper affordability for the units. Such programs and options include existing HPD subsidy programs such as a variation of the Mixed Income Program, tax incentive programs such as competitive LIHTC and/or a reduction in acquisition price. As currently proposed, the project includes 55 units of which 20 percent would be at 80% of median income, with another 20% percent being between 145% and 155% of median income. The developer and HPD are fully committed to making every effort over the coming months to utilize available financing mechanisms but we are not in a position at this time to make commitments to the ultimate level of affordability for this project.

### **Evaluating the Pilot**

HPD has worked closely with the Department of City Planning to develop a framework for measuring the success of the pilot and informing potential future zoning changes to facilitate micro-units buildings beyond the pilot. HPD, the developer Monadnock and the management company have agreed to collect primary data for this analysis and HPD or a third party overseen by HPD will take responsibility for issuing annually a report to be shared with the Department of City Planning. The report will present data on the following topics:

- 1. Residents' characteristics and demographics*



HPD will use the data gathered for its housing lottery to understand demand for the building and characteristics of the residents. Information will include data on household size, income, age, gender and occupation.

2. *Market-demand for micro-units, distinguishing between market rate and affordable units*  
Data will be gathered on market rents and trends for regular studio and one-bedroom units in the city to be compared with micro-units data to give the city team a better understanding of the market for micro-units.
3. *Financial health of the micro-unit building*  
Annual rent rolls and Maintenance and Operations reports provided to HPD per the Regulatory Agreement will allow the city team to measure the financial health of the building as a model.
4. *Tenant experience*  
The developer is committed to issuing an annual survey to all tenants to assess levels of satisfaction with the units, the common space and the management. As part of the signing of the original lease, tenants will also be asked to explain what attracted them to the building. Similarly, when a tenant leaves the building, he or she will be given an exit survey. This information will help understand the motivations of micro-units tenants and the role of micro-units buildings in New Yorkers' housing choice. The city team will be able to participate in the design of the surveys.
5. *Common space usage*  
The developer is offering to use key fobs for all of the common space to facilitate the collection of data on usage. This information will provide clarity on which spaces are used, at what volume, at what time and by what type of tenants, providing invaluable information on tenants' behaviors in micro-units buildings. The annual survey and exit interviews will complement this data. In addition, tenants will be given a full description of the common spaces, their location, size and programming as part of their original lease to make sure they are aware of the building's amenities.
6. *Micro-building relationship to the building*  
The developer will compile reports from NYPD or 311 to identify any complaints tied to the building. Data on the commercial ground-floor use will also be collected to assess the health of the commercial space and how it is servicing the building and the neighborhood.

This data and its annual analysis will allow the city to both ensure the building is fulfilling its potential as a model and to inform future land use policy changes.

## **Micro Units Design**

As part of this process, it is important to remember that a key feature of the pilot is the design of the units. The micro-unit is not just a smaller unit. Its design is in part intended to make up for the size of the space by providing higher floor to ceiling height, large windows and ample storage. The pilot is not just testing a size but a volume and a high quality design. The project will test all of these elements together and informing the conversation on the relationship between unit size, design and building amenities.



The design of the units will be recorded in the construction drawings that need to be signed and approved by HPD and are referenced in the Land Disposition Agreement (LDA) which is executed at the time of disposition. HPD also sends inspectors during the construction period to ensure the building is being constructed according to the construction plans filed with the Department of Buildings.

## Common Spaces

The adAPT micro-unit building will contain a range of indoor and outdoor common spaces. These areas are located on three floors: the cellar, the first floor, and the eighth floor. Each space is programmed to offer a wide palette of amenities free of charge to all the tenants.

The cellar includes 277 sf of tenant storage, a 153 sf laundry room, and a 347 sf bicycle storage room. The cellar also includes a yoga room/low energy fitness space of 294 sf. The ground floor has the largest common area with a 920 sf cardio/strength/fitness room. The eighth floor contains a 301 sf salon, which will have a full kitchen and seating to allow tenants to host larger dinner parties.

The tenants will also have access to two outdoor spaces: a 335 sf located on the ground-floor at the back of the building, and a 757 sf terrace accessible from the salon on the eighth floor and overlooking the E. 27th St. pedestrian walk.

The Commission should also note that the construction design drawings are currently 75% complete. As such, there is a small possibility that some of these figures change as architectural, mechanical, and structural coordination is finalized. Any change would be for constructability reasons, and there is no intention to alter the use of any space through re-design.

The development team is committed to ensuring the common spaces will be easily accessible, free and open for the residents of the building without any differentiation between the market rate units and the affordable units. These requirements will be included in a Regulatory Agreement that will be executed at the time of disposition and recorded against the property. The location and square footage of the common spaces will also be recorded in the Regulatory Agreement and in the construction documents that are referenced in the LDA.

Thank you for your consideration of these materials.

Sincerely,



Beatriz de la Torre

**NYC**



Cc:

Honorable Amanda M. Burden, Chair

Honorable Leroy G. Comrie, Jr., New York City Councilmember, Chair, City Council Land Use Committee

Honorable Mark S. Weprin, New York City Councilmember, Chair, City Council Subcommittee on Zoning and Franchises

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**NYC**



Tobias Oriwol  
Monadnock Construction, Inc.  
155 3rd Street Brooklyn NY 11231

**Re. My Micro NY / 335 E27th Street/ adapt NYC: North Façade**

July 30, 2013

Dear Mr. Oriwol,

Following comments by the CPC Commission about the potential monotonous appearance of the North façade along the property's lot line, we have developed a revised design that we believe responds to the feedback while maintaining the integrity of the design (see attached A-300 dated 07/16/13 and A-301 dated 07/30/13)).

**DESIGN PRESENTED TO COMMISSION, JULY 24<sup>TH</sup>, 2013**

The design developed in the competition and presented to the Commission is based on the appearance of four slender brick towers with a gradient of four shades of grey brick, starting with the lightest brick at the south façade, and ending with the darkest brick at the north façade. An additional design characteristic is that the volumes shift slightly in the horizontal plane resulting in four perceived 'stacked' volumes: ground floor, floors 2-4, floors 5-7, and floors 8-roof. These measures attempt to incorporate required zoning setbacks within the design, and break up the scale of the building as we feel appropriate for a micro unit apartment building.

**REVISED DESIGN**

The revised design of the north facade allocates the four tones of grey brick to the horizontal datums described above, starting with the darkest brick at the ground floor (where resilience to graffiti is most needed), and ending with the lightest brick at the uppermost volume. We believe that this progression towards lightness at the upper floors will emphasize the project's key design concepts, make the building appear less heavy, and introduce some interest in the design without making it seem too busy.

We hope that this design revision meets the Commission's expectations.

Sincerely,



Eric Bunge, AIA  
Principal

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Date: 08.01.2013

Sheet Title:  
**EXTERIOR  
 ELEVATIONS**

Scale: 1/8" = 1'-0"

Seal & Signature:

NOT FOR CONSTRUCTION

Date: 08.01.2013

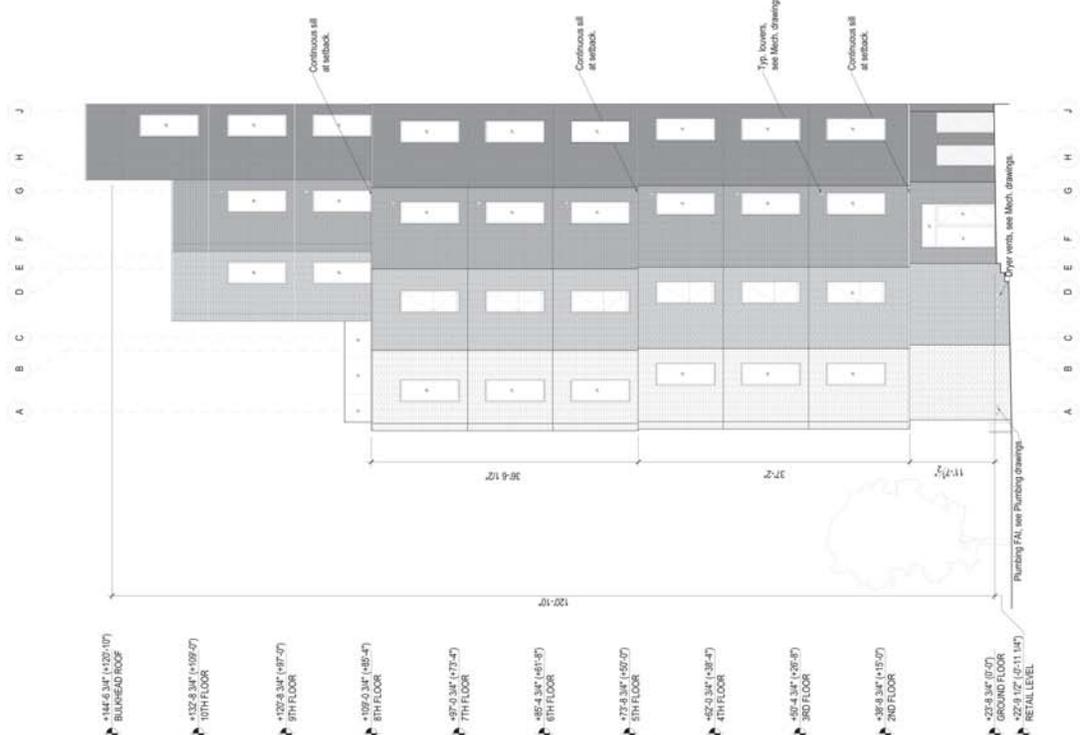
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Drawn By: AV

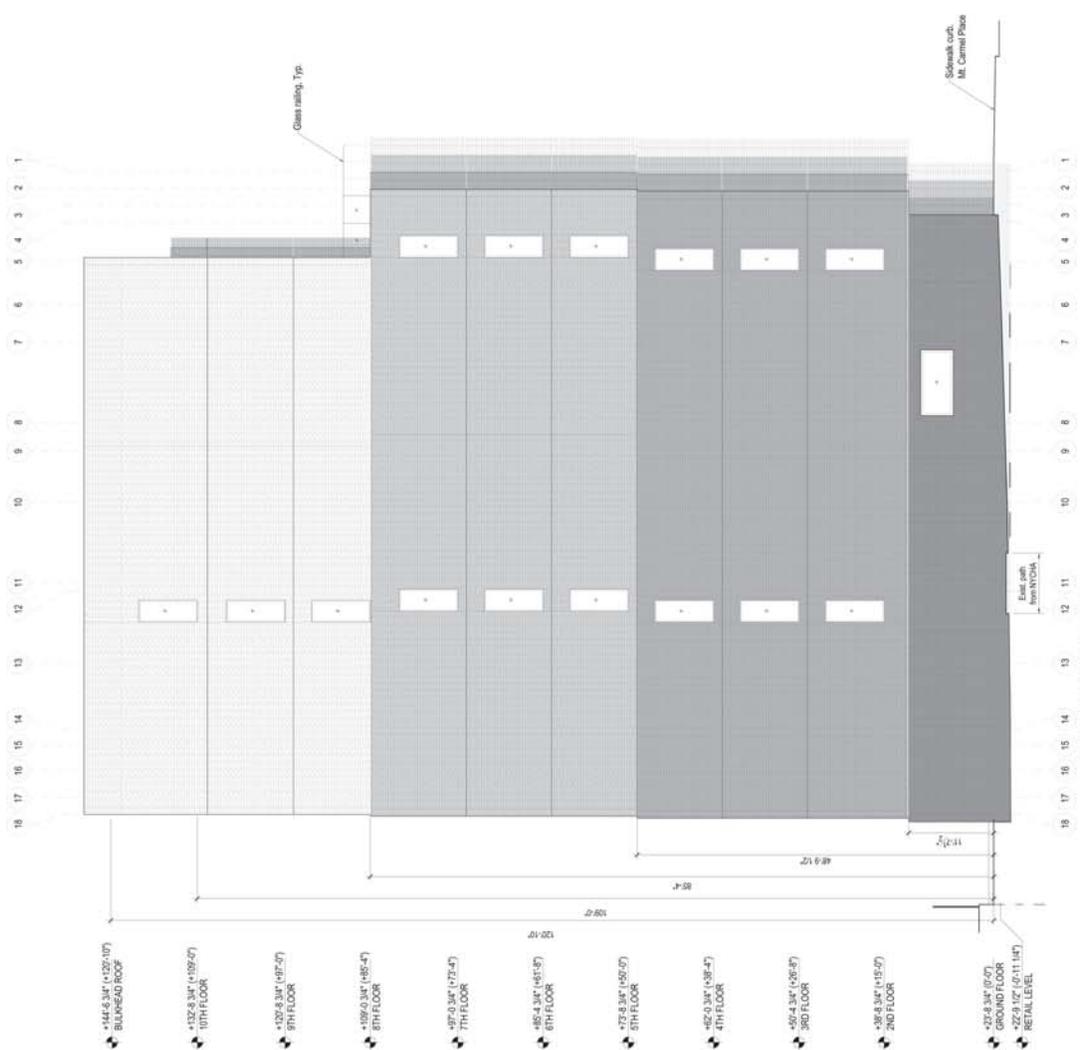
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Draw No:  
**A-301.00**

Page No: 31 of 35



02 ELEVATION: EAST FACADE



01 ELEVATION: NORTH FACADE

April 25, 2013

Sandro Sherrod  
Chair  
Community Board Six  
866 United Nations Plaza Suite. 308  
New York, NY 10017

Dear Mr. Sherrod,

Thank you for your letter dated March 25, 2013. We hope the presentation at the April 3<sup>rd</sup> Land Use and Waterfront committee meeting answered your questions. As a follow-up, we have provided a written response to your letter below.

- 1. The committees would like to review any data that indicates the need for this highly unique type of housing and the expected demographic population of its future residents. Any information on how these potential residents will be marketed to would also be useful in understanding this unique application better.**

There are 1.8 million single person households in the city of New York and only 1 million studio and one bedroom apartments.

In terms of the marketing of the affordable units, we will work closely with Community Board 6 to identify ways in which we can best market the units to residents in order to meet the 50% community board preference. Corcoran Sunshine will lead the overall leasing efforts with respect to market rate units and, in addition, The Actors Fund will do targeted outreach to Artists, which we believe is a key demographic group.

- 2. Based on your presentation we believe the trees at the north side of the site, adjacent to the New York City Housing Authority building at 344 East 28<sup>th</sup> Street, will have to be removed in order to excavate for the micro-unit building foundations. The tree root systems will conflict with building foundations and trimming the branches above will likely not work. What mitigation can you offer for the removal of these trees and loss of south light to the adjacent public housing?**

HPD is working closely with the Parks Department and NYCHA to determine the impact on the trees adjoining the development site and come up with a course of action. We will continue the discussion with the community board regarding the trees that will be impacted.



- 3. We are concerned about the C2-5 commercial overlay, which includes Use Groups 1 through 9; specifically Use Group 6. As you are aware, this Use Group allows for “eating & drinking” establishments; we would prefer that the sale of all alcohol be eliminated from this very residential and sensitive location either explicitly through the disposition of property or incorporated into the deed or lease.**

The Development Team and HPD will work together to ensure there are restrictions that prohibit leasing a bar or liquor store in the commercial space. However, serving beer or wine at a cultural event or as part of a small café menu should not be precluded.

- 4. The terms “Creative Space” and “Amenity” in the presentation need definition as both could later be converted to retail space as-of-right.**

The ground floor space will be divided into an amenity space and commercial space. The amenity space can be used by residents and community groups for a variety of activities. The presence of the amenity space will help activate the Pedestrian Way. It is important that the Development Team maintains the flexibility to activate the ground floor space in a manner that supports the project. The Development Team has consistently completed projects that enhance, and do not disrupt, the surrounding community and we are happy to share examples the next time we are invited to present at your committee meeting.

- 5. There have been many illegal operations of residential space as a hotel. Because of the smaller size of these units, they could easily lend themselves to this type of misuse, what mechanisms will be in place that would prohibit tenants from renting out the units on a nightly, weekly or even monthly basis as “hotel” rooms?**

HPD and the Development Team are committed to creating a stable, permanent residential building. The Development Team has proposed the use of electronic key fobs, informal surveillance by building personnel, and language in the lease that prohibits the misuse stated above. Our understanding is that under Rent Stabilization Law, tenants are allowed to sublet their apartments and the landlord’s approval cannot be unreasonably withheld. Legal subletting is not a transient use as the primary tenant is required to state the terms of the sublease to the landlord and extend a sublease to the subtenant.

- 6. Please explain in more detail whether any units will be permanently affordable. For example if a tenant lives in a unit for 5 years, what would happen to his or her rent? How is the rent amount altered after a certain threshold and after what point in time would the building be 100% market rate rentals?**

Forty percent (22) of the total units will be affordable. These units will be affordable to households at 80% AMI, 145% AMI and 155% AMI and subject to a 30-year regulatory agreement. This regulatory agreement will require tenants to meet particular income guidelines. The rents of these units will be based on the affordability outlined in the regulatory agreement for the entire length of the agreement. Every year HUD publishes new income limits and we will have to use these in computing affordability measures.



- 7. The committees' would like a clear and accurate site survey and a clear site plan. The site survey should include the surrounding area including both streets and the trees on the adjacent lot that would be affected by the proposal.**

Site plans and surveys were distributed to attendees of the April 3<sup>rd</sup> Land Use Meeting and the files were emailed to the Community Board 6 office. Please let us know if you require any additional information.

- 8. Please discuss the process of the transfer of ownership over the land and when such a transfer would take place. Is the transfer of land ownership permanent?**

The disposition approvals (ULURP and UDAAP) will authorize the City to convey fee title (land) to the developer, and the City's deed / regulatory agreement will contain affordability restrictions. The land conveyance will occur at a closing that will also include the project financing. Following the closing, the land will be owned by the Development Team.

- 9. It was not clear who would manage the building after construction is completed. If this is not yet known, explain the plan, if any, to turn over operations to a property management firm.**

Cooper Square Realty is the proposed property manager.

- 10. Would someone qualify for a unit if a third party signs on their behalf?**

The occupants must qualify for the unit and meet the income guidelines in regulatory agreement.

- 11. What will be the legal limit on the number of persons permitted to live in each unit?**

Two people are the legal limit for this unit size.

- 12. During your presentation I believe you used the phrase, "mayoral zoning bulk override"; we are not familiar with this process and would like to learn more about it.**

The correct term is a Mayoral Zoning Override. A written request is prepared by the City Agency, in this case HPD, to the Deputy Mayor explaining the public benefits of the project and discussing the specific zoning restrictions impacted by the project. The Law Department also reviews this memo, and issues a memorandum on whether the request is appropriate. If the Law Department and the Mayor's office are in support of the request, the Deputy Mayor for Economic Development will issue a memorandum approving the request. The zoning override for this project was executed in early April.



**13. I would like to suggest that the project team meet with the 344 East 28<sup>th</sup> Street Tenant Association to receive project feedback directly from them. There will be significant noise during construction that will take place adjacent to their building and the resulting development will lead to a significant loss of light and views that they currently enjoy not to mention a loss of mature trees in the otherwise barren concrete plaza that abuts project site.**

We have scheduled a meeting with the leadership of the 344 East 28<sup>th</sup> Street Tenant Association on Monday, April 29<sup>th</sup>.

**14. We would like to see a higher affordability component included at the site; 80% of AMI is not “affordable”.**

At this time, we cannot commit to more affordability as part of this project. The City is not contributing subsidy and, therefore, a higher level of affordability is not feasible.

**15. I would also like to suggest that you bring the architects that have worked on the project as a part of your team when attending informational meetings with the Community Board. Based on previous experiences we believe that architects who hear community response directly have better informed designs as a result.**

N Architects was in attendance on April 3<sup>rd</sup> and will attend future CB6 meetings.

We look forward to a continued dialogue with the Community Board as we move through the ULURP process. As always, please feel free to contact me at (212) 863-8068 or Thehbia Walters at (212) 863-6275 with any questions or concerns.

Sincerely,

  
for  
Beatriz de la Torre

Beatriz de la Torre

CC: Hon. Rosie Mendez  
Toni Carlina, Community Board 6  
Rajesh Nayar, Community Board 6  
Terrence O’Neal, Community Board 6  
Kirk Goodrich, Monadnock Development  
Thehbia Walters, HPD

**NYC**



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