CITY PLANNING COMMISSION

November 19, 2014 / Calendar No. 4 C 140411 HAK

IN THE MATTER OF an application submitted by the 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 a property located at 695 Grand Street (Block 2782, Lot 36), 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 the development of an 8-story mixed-use building with 51 rental units, including 41 units of affordable housing, and ground floor commercial space, Borough of Brooklyn Community District 1.

Approval of three separate matters is required:

1. the designation of property located at 695 Grand Street (Block 2782, Lot 36), as an Urban Development Action Area; and
2. an Urban Development Action Area Project for such area; and
3. the disposition of such property to a developer to be selected by HPD.

The Department of Housing Preservation and Development (HPD) filed this application on June 3, 2014. Approval of this application would facilitate the development of an 8-story mixed-use building with 51 rental units and ground floor commercial space.

The Department of Housing Preservation and Development states in its application that:

> The project area consists of underutilized property which 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, insanitary, 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 an Urban Development Action Area Project pursuant to Article 16

of the General Municipal Law.

BACKGROUND

The Department of Housing Preservation and Development is seeking the designation of 695 Grand Street (Block 2782, Lot 36) as an Urban Development Area Action Project, approval as an Urban Development Action Area Project for such area, and the disposition of City-owned property to facilitate the development of an 8-story mixed-use building with 51 rental units.

The City-owned site at 695 Grand Street is located midblock, on the north side of Grand Street between Manhattan and Graham avenues. The site has a 99-foot frontage on Grand Avenue, and is 140 feet deep with a total lot area of 13,877 square feet. It is currently developed with a 12,000 square-foot, one-story commmercial building built in the 1980's. The building is currently occupied by two retail tenants on a month-to-month lease with DCAS. The project sponsor is currently working with the existing retail tenants on a relocation or retention plan.

The project site is located in a C4-4A (R7A equivalent) zoning district, with a small portion of the lot in the rear in an R6B district. C4-4A districts allow a maximum commercial floor area ratio (FAR) of 4.0 and a maximum residential FAR of up to 4.6 when utilizing the Inclusionary Housing program. The project site is also located within the Grand Street Business Imrovement District (BID), the North Brooklyn Empire Zone, and a New York City FRESH supermarket zone.

The surronding area is predominantly developed with 2- to 4-story residential buildings, mostly located in R6B, R6A and R7A zoning districts. Grand Street and Graham Avenue, zoned C4-4A, R7A and R6A, are vibrant commercial corridors lined with 4-story residential buildings with ground-floor commercial uses. Local shops in the surrounding area include grocers, supermarkets, nail and beauty salons, pharmacies, medical offices, discount clothing stores, and eating and drinking establishments. One block south of the project site are the historic landmarked Williamsburg Houses, a large New York City Housing Authority (NYCHA) complex of 20 four-story buildings with over 1,600 housing units. The surrounding area also

includes Public School 18, Public School 132 for the gifted and talented, Junior High School 49, and the High School of Enterprise, Business and Technology.

The proposed actions would facilitate the construction of a new, 8-story mixed-use building (FAR of 4.43) with 51 rental apartments occupying 49,155 square feet of floor area and 12,494 square feet of ground floor commercial space. The proposed building would have a street wall height of 61 feet before setting back 15 feet to a maximum height of 80 feet.

Of the 51 proposed residential units, 41 would be affordable, nine would be market-rate, and one unit would be reserved for the building superintendent. There would be nine studio apartments, 15 one-bedroom, 19 two-bedroom and eight three-bedroom apartments. The affordable units would be for households earning up to 60% of the Area Median Income (AMI), including eight units that would be reserved for households earning less than 30% of the AMI.

Additionally, ten of the 41 affordable units would be permanently affordable and eight units would be reserved for supportive housing for formerly homeless single adults and families with HIV/AIDS. Supportive housing tenants would be referred through St. Nicks Scattered Site Supportive Housing Program. Supportive services would generally be provided off site, with occasional case manager's visits to tenant's units.

General amenities in the building would include a laundry room and a community room accessible to all tenants. In addition, there would be an outdoor patio with seating and play equipment on the second floor of the building. There would also be 26 spaces for bicycle storage in its cellar and accessory off-street parking would be waived.

Financing of the proposed development would be provided through HPD's New Construction program and the New York State Housing and Community Renewal Low Income Tax Credit Program.

ENVIONMENTAL REVIEW

The application (C 140411 HAK) 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 14HPD044K. The lead agency is the Department of Housing Preservation and Development.

After a study of the potential environmental impact of the proposed action, a Negative Declaration was issued on May 28, 2014.

UNIFORM LAND USE REVIEW

This application (C 140411 HAK) was certified as complete by the Department of City Planning on June 23, 2014, and was duly referred to Community Board 1 and the 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 1 held a public hearing on this application (C 140411 HAK) on August 12, 2014, and on that date, by a vote of 36 in favor, 0 opposed and 0 abstentions recommended approval of the application.

Borough President Recommendation

This application (C 140411 HAK) was considered by the Borough President approving the application on October 1, 2014, with following conditions:

1. That all of the supportive and non-supportive housing units be permanently affordable.
2. Require the project sponsor to retain Brooklyn-Based contractors and subcontractors, especially those that are designated LBE's consistent with section 6-108.1 of the City's Administrative Code, and MWBE establishments, as a means to meet or

exceed standards per Local law 1 (not less than 20 percent participation), as well as to coordinate the monitoring of such participation with an appropriate monitoring agency.

3. The City include 695 Grand Street as part of its policy to extend the local community preference to those former Community District 1 residents that were displaced since the rezoning of the waterfront sections of the neighborhood.

City Planning Commission Public Hearing

On September 29, 2014 (Calendar No. 1), the City Planning Commission scheduled October 22, 2014 for a public hearing on this application (C 140411 HAK). The hearing was duly held on October 22, 2014 (Calendar No. 6). There were three speakers in favor and none in opposition.

The Executive Director of St. Nick's Alliance, sponsor of the project, spoke in favor of this application and the proposed affordable housing development. He said that the mixed use development would cost approximately 21 million dollars and St. Nick's Alliance has secured funding from the New York State Housing and Community Renewal (HCR) Low Income Tax Credits, and HPD's New Construction Program to build this affordable housing development. He also stated that 10 residential units would be permanently affordable under the provisions of the Inclusionary Housing program, and the remaining 31 affordable units would be affordable for a span of fifty years. He reiterated his commitment to the Community Board that the present retail tenants would be given an option to come back in three years when the space would be ready for occupancy and that they would not rent the space to night clubs.

The project architect also spoke in favor of the application, describing the proposed development. He stated that the building would not be seeking a LEED rating, but would meet the sustainability guidelines of Enterprise Green Communities with HPD Overlay, HCR B9 Green Criteria Checklist, and NYSERDA Multifamily Performance Program, and would include such features as a landscaped roof deck, at the back of the building on the 2nd floor and a landscaped green feature with sedum trays at the 6th floor setback, from which vines can grow downwards on the trellis. The large windows on the building's south-facing façade would also

have exterior sun shades.

A representative from HPD also spoke in favor stating HPD would extend the local preference to the former residents of Community Board 1 who were displaced by 2005 Greenpoint-Williamsburg rezoning.

There were no other speakers and the hearing was closed.

CONSIDERATION

The Commission believes that the application for UDAAP designation, project approval and disposition of city-owned property (C 140411 HAK), is appropriate.

The proposed project would occupy an underutilized City-owned site located on the north side of Grand Street in the Williamsburg neighborhood of Brooklyn, Community District 1. The proposed development would consist of an eight-story mixed-use building with 51 rental apartments and ground floor commercial space. Of the 51 proposed residential units, 10 units would be permanently affordable under the Inclusionary Housing program guidelines and of the remaining 41 units, nine would be market-rate, one unit would be reserved for the building superintendent. The remaining 31 affordable non-inclusionary units financed through HCR low income tax credits and other financial sources will have a 50-year affordability term based on the financing program requirements. The proposed building would include a laundry room and a community room, and an outdoor patio with seating and play equipment accessible to all tenants. The affordable units would be for households earning up to 60% of the Area Median Income (AMI), including eight units that would be reserved for households earning less than 30% of the AMI. Additionally, eight units of 41 affordable units would be reserved for supportive housing for formerly homeless single adults and families with HIV/AIDS.

In response to the Brooklyn Borough President's recommendation, that all of the units should be affordable, the Commission notes that New York State Housing Community Renewal Low Income Tax Credits program views favorably on mixed-income housing developments, and

supports the concept of a higher-income tier for the proposed project.

The Commission believes that issues such as the hiring practices of the project sponsor, or the process by which potential residents are selected, are beyond the scope of this application, however the Commission is nevertheless pleased that the project sponsor will abide by the New York State guidelines for the hiring of minority owned businesses and further notes that HPD has agreed to offer local preference to the former residents of the Community District 1 who were displaced since the 2005 Greenpoint-Williamsburg rezoning.

Furthermore, the applicant stated in a letter to the Commission dated October 27, 2014 , that the building will incorporate many green features, such as a vertical green wall in the form of a welded wire trellis system with planters at the base from which wines can grow upwards. The sixth floor setback roof would be landscaped with sedum trays from which wines could also grow downwards along the green wall trellis. The buildings south facing façade would have exterior sun shades. All living rooms and bed rooms would have PTAC heating and cooling units. Energy Star equipment would be used in apartments and common areas, and low-flowing plumbing fixtures would reduce water consumption. The sponsor further stated that they are committed to follow the sustainability programs: Enterprise Green Communities with HPD Overlay, HCR B9 Green Criteria Checklist, and NYSERDA Multifamily Performance Program.

The Commission believes that proposed project would facilitate the development of an underutilized city-owned property, which would bring much needed affordable and supportive housing to this neighborhood. The project would provide needed rental housing for low income and complement the existing network of housing services provided by HPD and St. Nick's Alliance for this portion of the community's population. The Commission, therefore, believes that the proposed project is appropriate.

RESOLUTION

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

WHEREAS, the Department of Housing Preservation and Development has recommended the designation of property located at 695 Grand Street (Block 2782, Part of Lot 36), located in Community District 1, Borough of Brooklyn 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:

1. pursuant to Article 16 of the General Municipal Law of New York State for:
   a) the designation of property located at 695 Grand Street (Block 2782, Lot 36), 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;

BE IT FURTHER RESOLVED, by 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 city-owned property located at 695 Grand Street (Block 2782, Lot 36) in Community District 1, Borough of Brooklyn, to a developer to be selected by the Department of Housing Preservation and Development, is approved.

The above resolution (C 140411 HAK), duly adopted by the City Planning Commission on November 19, 2014 (Calendar No. 4), 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.

CARL WEISBROD, Chairman
KENNETH J. KNUCKLES, *ESQ.*, Vice Chairman
RAYANN BESSER, IRWIN G. CANTOR, *P.E.*, ALFRED C. CERULLO, *III*,
MICHELLE R. DE LA UZ, JOSEPH I. DOUEK, RICHARD W. EADDY,
CHERYL COHEN EFFRON, BOMEE JUNG, ANNA HAYES LEVIN,
ORLANDO MARIN, Commissioners

COMMUNITY BOARD NO. 1

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HON. ANTONIO REYNOSO
COUNCILMEMBER, 34th CD

August 12, 2014

LAND USE, ULURP & LANDMARKS (subcommittee) COMMITTEE REPORT

To : Chairperson Dealice Fuller
and CB #1 Board Members
From : Ms. Del Teague, Committee Chair
Re: Tuesday, August 12, 2014 Committee Meeting

The Committee met on Tuesday, August 12, 2014 at 7:00 PM, at 211 Ainslie Street, Brooklyn, NY 11211 (Corner of Manhattan Avenue).

AGENDA: (ITEM HEARD AT THE PUBLIC HEARING)

DCP: (Application # C 140411 HAK.) 695 Grand Street, Brooklyn, NY - In the matter of an application submitted by the 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 695 Grand Street (Block 2782, Lot 36), as an Urban Development Action Areas; and
b) an Urban Development Action Area Project (UDAAP) 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 an eight-story mixed-use building with approximately 51 residential dwelling units, including 41 units of affordable housing, and ground floor commercial space. Representative: Mr. Jack Hammer, HPD.

The committee met during the general board meeting after hearing the presentation by HPD and Mr. Norman Williams (Assistant Director of Housing Development for St. Nick's Alliance) and entertaining questions and responses by board members and community residents. Several residents raised a concern regarding the height of the proposed building, however, the presenters reminded everyone that the height is as- of- right, and the current application relates to the question of the sale of the property.

The committee also noted the considerable support for the project as one which will provide much needed affordable housing in rates appropriate to the community needs. In addition, the committee noted the project's commitment to providing living quarters and supportive services to individuals struggling with issues of HIV/AIDS.

Resolution: The committee voted unanimously to approve the application.

NYCPLANNING
DEPARTMENT OF CITY PLANNING CITY OF NEW YORK

Community/Borough Board Recommendation

Pursuant to the Uniform Land Use Review Procedure

Application #: **C140411 HAK**	Project Name: **695 Grand Street**
CEQR Number: 14HPD044K	Borough(s): Brooklyn Community District Number(s): 1

Please use the above application number on all correspondence concerning this application

SUBMISSION INSTRUCTIONS

1. Complete this form and return to the Department of City Planning by one of the following options:
   - **EMAIL (recommended):** Send email to CalendarOffice@planning.nyc.gov and include the following subject line: (CB or BP) Recommendation + (6-digit application number), e.g., "CB Recommendation #C100000ZSQ"
   - **MAIL:** Calendar Information Office, City Planning Commission, Room 2E, 22 Reade Street, New York, NY 10007
   - **FAX:** (212) 720-3356 and note "Attention of the Calendar Office"
2. Send one copy of the completed form with any attachments to the applicant's representative at the address listed below, one copy to the Borough President, and one copy to the Borough Board, when applicable.

Docket Description:

IN THE MATTER OF an application submitted by the 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 695 Grand Street (Block 2782, Lot 36), 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 an eight-story mixed-use building with approximately 51 residential dwelling units, including 41 units of affordable housing, and ground floor commercial space.

Applicant(s):	**Applicant's Representative:**
NYC Dept. of Housing Preservation and Development 100 Gold Street New York, New York 10038	Jack Hammer Dept. of Housing Preservation and Development 100 Gold Street New York, New York 10038

Recommendation submitted by: Community Board #1 Brooklyn

Date of public hearing: 8/12/14 **Location:** 211 Ainslie Street Bklyn, NY 11211

Was a quorum present? YES ☒ NO ☐ *A public hearing requires a quorum of 20% of the appointed members of the board, but in no event fewer than seven such members.*

Date of Vote: 8/12/14 **Location:** 211 Ainslie Street Bklyn, NY 11211

RECOMMENDATION

☒ Approve ☐ Approve With Modifications/Conditions

☐ Disapprove ☐ Disapprove With Modifications/Conditions

Please attach any further explanation of the recommendation on additional sheets, as necessary.

Voting

 # In Favor: 36 **# Against:** 0 **# Abstaining:** 0 **Total members appointed to the board:** 50

Name of CB/BB officer completing this form	*Title*	*Date*
Dealice Fuller	Chairperson	8/13/14

Brooklyn Borough President Recommendation
CITY PLANNING COMMISSION
22 Reade Street, New York, NY 10007
CalendarOffice@planning.nyc.gov

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 representatives as indicated on the Notice of Certification.

APPLICATION #: 140411 HAK **695 Grand Street**

In the matter of applications submitted by the Department of Housing Preservation and Development (HPD), pursuant to Sections 197-c of the New York City Charter and to Article 16 of the General Municipal Law of New York State, the following:

a) for the grant of a special permit pursuant to Section 74-902 of the Zoning resolution to modify the requirements of Section 24-111 (Maximum Floor Area Ratio and Percentage of Lot Coverage) to apply to a local non-profit organization in connection to a proposed 8-story building on property located at 695 Grand Street;
b) the designation of such property as an Urban Development Action Area and an Urban Development Action Area Project for such area; and
c) the disposition of such property to a developer to be selected by HPD

to facilitate the development of an eight-story mixed-use building with approximately 51 residential units of affordable and supportive housing and ground floor commercial space.

COMMUNITY DISTRICT NO. 1 BOROUGH OF BROOKLYN

RECOMMENDATION – 140411 HAK

☐ APPROVE
■ APPROVE WITH MODIFICATIONS/CONDITIONS

☐ DISAPPROVE
☐ DISAPPROVE WITH MODIFICATIONS/CONDITIONS

BOROUGH PRESIDENT

October 1, 2014
DATE

RECOMMENDATION FOR THE PROPOSED HOUSING AT 695 GRAND STREET
140411 HAK

The applicant, the Department of Housing Preservation and Development (HPD), is seeking an Urban Development Action Area Plan (UDAAP) designation, UDAAP project approval, approval of disposition of city-owned property, and a special zoning bulk permit to facilitate the development of 695 Grand Street, a mixed-use development with 51 units, of which 41 would be low-income rental units, and commercial retail space within the Williamsburg neighborhood of Community District 1 (CD 1).

On August 18, 2014, the Borough President held a public hearing on the proposed land use actions.

There were two speakers in favor of the proposal, representatives from the officers of Council Member Antonio Reynoso and Assembly Member Maritza Davila. It was noted that the affordability tiers would provide a means to keep residents in the community and should serve as a precedent for all projects in the 34th Council District.

The Deputy Borough President noted that the existing retail development on the site by the St. Nick's Alliance (SNA) contributed to the area's commercial revitalization and the larger neighborhood renaissance. The representative from SNA noted that funding would be primarily through New York State's Low Income Housing Tax Credit (LIHTC) Program, combined with a private loan and a $1.4 million City capital loan, along with eight project-based Section 8 vouchers, to assist the operating costs that would permit the project to serve households earning up to 30 percent of Area Median Income (AMI). The nine market-rate units were included in the development because it was deemed necessary to secure an award through the LIHTC Program. As there are very few affordable housing units being developed in this section of Williamsburg, SNA is very excited to bring this project to the community.

The representative provided responses to the Deputy Borough President regarding income ranges based on household size, anticipated rents, duration of affordability, marketing strategies and a financial literacy campaign.

As the project is being developed pursuant to the City's Inclusionary Housing zoning floor area incentive program, ten units would be permanently affordable and are restricted to not exceed the program's AMI standard. The remaining 31 affordable units would be subject to HPD's regulatory agreement. SNA consistently pursues refinancing that would extend regulatory agreements governing the term of affordability. It is the intent of SNA to keep such properties affordable in perpetuity, as its mission is to promote and sustain affordable housing. A handout was provided indicating that eight units would be for households with AMIs not exceeding 30 percent ($25,750 for a family of four), eight units not exceeding 40 percent ($34,360 for a family of four), 13 units not exceeding 50 percent ($42,950 for a family of four) and 12 units not exceeding 60 percent AMI ($51,540 for a family of four). One unit would be for the superintendent and nine units would be rented at whatever the market would permit, as those units are meant to cross subsidize the operating cost

in managing the building. There will be nine studios, 15 one-bedrooms, 19 two-bedrooms and eight three-bedrooms, with seven of the eight units set aside for those earning up to 30 percent AMI being multi-bedroom apartments.

Examples of rents based on current AMI are $927 for two-bedrooms and $1,072 for three-bedrooms for those with AMIs not exceeding 50 percent, and $1,121 for two-bedrooms and $1,300 for three-bedrooms for those households not exceeding 60 percent of AMI.

Fair market regulation would be followed for the market rate rents, with HPD and the State guiding the process to lease those units. The remainder of the units would be leased according to a lottery. Per fair housing law, ads would be placed in media outlets to reach out to those least likely to apply. Notice would be placed in the community-based news publications, as well as in Spanish news media outlets. Notices would be distributed though area daycare and senior centers, parent teacher associations, houses of worship, and other community institutions. The application is intended to be available nine months after construction begins, which is anticipated for as early as August 2015 though not likely later than October 2015.

Those who were displaced from CD1 are not included in the project's permissible 50 percent community preference. The Deputy Borough President encouraged SNA to work with those area entities that had HPD anti-displacement grants.

In response to the Deputy Borough President noting the Borough President's policy to maximize job opportunities for Brooklynites, the representative of SNA noted that the project will be according to State MWBE guidelines. While the contractor is not classified as MWBE, it participates with many such entities and SNA has programs to train for such jobs. In addition, its subsidiary EWVIDCO works with many material suppliers that are MWBE.

The Deputy Borough President noted the Borough President's policy to promote the use of sustainable and renewable sources of energy and noted that lease negotiations are an ideal time to consider the possibility of utilizing parts of the roof structure. The representative of HPD noted that the project is consistent with the agency's "green" and sustainable design standards. The representative of SNA noted the project's green wall and landscaped area in the rear deck area, which retains rain water, and its design approach for LEED quality building design. He also welcomed the exploration of additional resources to have the ability to subsequently incorporate a solar collection system.

CONSIDERATION

CB 1 unamously approved the application.

The city-owned site is located within the Grand Street Business Improvement District and the North Brooklyn Empire Zone, which were created to improve and expand business opportunities as well as to encourage economic development in the area. It was originally developed in the 1980s by SNA as part

of an effort to invigorate the Grand Street commercial corridor. SNA continues to maintain a monthly lease with the Department of Citywide Administrative Services (DCAS) on this one-story building site, and is currently subleasing the property to two existing retail tenants.

Development would consist of one new eight-story housing building containing 51 units. The site is proposed for 41 affordable housing units, nine market-rate units and one unit for the superintendent. The project will utilize the development bonus through the Inclusionary Housing Program which applies to this section of Grand Avenue. This results in ten permanently affordable units that would be developed on site. Eight apartments would be supportive housing units for families earning less than 30 percent of the Area Median Income. This would include formerly homeless single adults and families living with HIV/AIDS. Support services would be generally provided off-site. The remaining 33 affordable housing units are intended for families with household incomes not exceeding 60 percent of Area Median Income (approximately $42,000 for a family of four). A regulatory agreement would enforce a requirement that the ten inclusionary housing bonus derived units would remain affordable for a specified number of years.

The site would contain nearly 12,494 sq ft of retail space. Pursuant to the Zoning Resolution, accessory off-street parking is not required, though space would be provided in the cellar to accommodate the storage of 26 bicycles. The surrounding area is well served by public transportation, with the G and L trains running nearby. The B24 and B43 buses also service the immediate community, and the Q54 and Q59 buses connect residents to Queens. There would also be an on-site laundry facility, multiple community rooms and an outdoor patio with seating and play equipment on the second floor.

It is the Borough President's policy to support land use actions that are compatible with surrounding land uses and would benefit the neighborhood while providing needed affordable housing opportunities, making city-owned property available for private development opportunities which in turn, enhances the City's community revitalization efforts.

The proposed actions would create opportunities for new residential and retail uses along Grand Street. This project would promote health and safety, as well as encourage sound growth and development in an area where there is strong demand for affordable housing. The proposed development would provide for an increase of supportive housing options as a means to address needs in the community and would complement existing residential and commercial uses in the neighborhood, while creating construction and permanent jobs. Such retail use would retain the area's surrounding shopping streetscape.

The Borough President also believes that there is a need for supportive housing options for individuals that are circumstantially homeless. Supportive housing is a cost effective way of addressing the diverse needs of the homeless, while also integrating residents into the life of the neighborhood. The Borough President believes that projects containing supportive housing units are best integrated into a community when such units are interspersed in the same building with housing units for families.

Though the Borough President is generally supportive of the proposed development, he has concerns regarding the duration of affordability and MWBE participation. In addition, he believes

that the State should take action to target community preference for those displaced by the 2005 Williamsburg-Greenpoint waterfront area rezoning. Also, the City should take action to further affordable housing development in this section of Williamsburg.

Permanent Affordability

It is the Borough President's policy that such affordable housing units remain "affordable forever" wherever feasible. The ten units that would be built because of the utilization of the Zoning Resolution's Inclusionary Housing Program are consistent with his policies of permanent affordability. For the base floor area units, the Borough President is concerned that the standard regulatory agreement used by HPD is typically not more than thirty years. His concern is that as tenants move out after the expiration of such regulatory agreement, those units would no longer be an affordable housing resource. In areas where new developments can be realized on city-owned sites, it should be a policy of the City to minimize the loss of affordable housing by requiring such units to remain affordable in perpetuity. This concern can be partially mitigated by disposition to non-profit affordable housing development entities.

Fortunately, the City is intending to dispose of the property to SNA, which provides a soft guarantee that the non-inclusionary units would remain affordable for the lifetime that SNA remains in operation, because one of its core missions is to be an affordable housing provider as well as a strong advocate for affordable housing. The Borough President supports the disposition of affordable housing to affordable housing non-profits for these reasons, as for-profits companies are more driven by financial considerations.

Jobs

The Borough President is concerned that too many residents of Brooklyn are unemployed or underemployed. It is his policy to promote economic development as a means of creating more employment opportunities as well as promoting Brooklyn-based businesses, including those that qualify as MWBE and Locally-Based Enterprises (LBE). As new construction, this development provides an opportunity for the developer to retain Brooklyn-based contractors and subcontractors, especially those that are designated LBEs, consistent with section 6-108.1 of the City's Administrative Code, and MWBE establishments, as a means to meet or exceed standards per Local Law 1 (not less than 20 percent participation). With the intended development, the Borough President believes that the developer should coordinate with an appropriate monitoring agency and that such standards be memorialized in the Land Disposition Agreement or Regulatory Agreement between the developer, the State and HPD.

Community Preference for those Displaced by the 2005 Williamsburg-Greenpoint Waterfront Area Rezoning

The residential neighborhoods of Greenpoint and Williamsburg, including areas within and beyond the area of the 2005 waterfront area rezoning, are largely comprised of small buildings that are not subject to rent protection laws.

While the communities have had stable residential populations in recent history, proximity to Manhattan and once-affordable rents have led to the growth of a creative, youthful population, followed by those of more affluent means that have been drawn to the recently developed waterfront

towers and other new buildings, adding to the desirability of the neighborhoods. As more and more people "discover" Greenpoint and Williamsburg, rents have climbed substantially in many unregulated apartments. Many long-time residents are unfortunately being displaced. This ongoing upward trend in market rent has continued unabated and has been amplified by new developments.

While a percentage of the new housing developed along the waterfront has been set aside as affordable and the City has been pursuing the development of affordable housing on its assets in Community District 1, this alone does not sufficiently protect residents from displacement. Fortunately, the City recognizes that the newly produced affordable units would not in themselves be a timely resource to provide alternatives to those being displaced. In recognition of those who might be displaced indirectly because of the effects on the housing market from the 2005 rezoning, without having adequate opportunity to apply for affordable housing, the City established a policy to extend the local community preference to those former Community District 1 residents that were displaced since the rezoning of the waterfront sections of the neighborhood to certain properties. This policy apparently was not afforded to 695 Grand Street as it was not then contemplated for residential development.

Since the 2005 rezoning, most of the affordable housing units being produced are along or in proximity to the waterfront, yet displacement is more prominent inland from the waterfront because that is where the majority of the community resides. To provide more opportunities to those who were displaced since the 2005 rezoning that lived inland from the waterfront, the Borough President believes that 695 Grand Street should be eligible for community preference to those displaced.

Therefore, prior to the vote of the City Council, the City should provide a commitment that includes 695 Grand Street as part of its policy to extend the local community preference to those former Community District 1 residents that were displaced since the rezoning of the waterfront sections of the neighborhood.

City Actions to Further Affordable Housing Development in this Section of Williamsburg:

The Borough President supports the Mayor's goal to achieve 200,000 affordable housing units over the next decade. He believes that, as part of this agenda, an adequate number of these units should be achieved in the inland section of Williamsburg. 695 Grand Street's 41 affordable units would complement the affordable units to be developed at city-owned sites along Ten Eyck and Maujer Streets. However, given the significant increase in rents in this section of Williamsburg and its resulting residential displacement, there is a need to provide adequate opportunities for people to affordably remain in their neighborhood. More should be done to promote the development of affordable housing. The City should play a role by advancing development of its former Greenpoint Hospital sites and Broadway triangle urban renewal sites, as well as modifying the voluntary inclusionary housing text to increase developer participation with this floor area incentive. The City Council can play a role by removing impediments where real estate tax policy is not consistent with the Zoning Resolution.

Advancement of Affordable Housing Development at the former Greenpoint Hospital site and in the Broadway Triangle

Though HPD had previously issued a Request for Proposal and designated a developer, circumstances have left HPD without a development partner. City funding to advance affordable

housing was redirected to permit other initiatives to proceed. The Borough President is aware of the RFP submission by SNA to develop the site for affordable housing and understands that there is significant support in the community to have this proposal developed. He believes that HPD should be able to move forward with the SNA proposal, as it would be more expedient than proceeding with a new RFP process, and that having the site developed by a non-profit affordable housing provide is consistent with advancing the Borough President's permanent affordability policy. Therefore, in order to advance approximately 250 affordable housing units in the Williamsburg-Greenpoint community, HPD should allocate funding and designate a developer for the former Greenpoint Hospital site.

The recently approved ULURP actions for the Broadway Triangle have not been advanced due to legal challenges on the basis of discriminatory practice. The City needs to have this situation adequately addressed to allow HPD to advance the development of affordable housing. There are a few sites that do not require urban renewal assemblages and thus can be disposed for the development of affordable housing through a RFP. There are several privately-owned sites where the City obtained the right for HPD to acquire such properties to complete the affordable housing development assemblages. The allocation of funds would facilitate site acquisition and relocation for existing businesses to flourish, as well as achieve an adequate degree of affordability for these affordable housing sites in waiting.

Therefore, to advance approximately 600 affordable housing units in the Williamsburg-Greenpoint community, the Borough President believes that HPD should proceed with urban renewal site assemblages and site dispositions to affordable housing developers in the Broadway Triangle.

Maximum Height Conditioned on Use of the Voluntary Affordable Housing Floor Area Bonus

The Inclusionary Zoning floor area incentive program has been frequently utilized at sites along the East River waterfront and at 10 FAR residentially zoned sites in Downtown Brooklyn. However, there are too many cases in other areas where the Inclusionary Zoning floor area incentive program is in effect and development of privately-owned sites proceeded only to the base floor area – without any affordable housing.

With the scarcity of land, each time the Voluntary Inclusionary Housing Program (IHP) is not utilized, an opportunity to generate affordable housing is lost forever. That is why the Borough President is seeking modifications to the program that might entice nearly full participation in IHP.

As it appears that the IHP will remain in effect where already designated and not being considered for subsequent upzoning, the Borough President believes that steps should be taken to improve participation by developers as a means for generating as much affordable housing as possible. The Borough President believes there is a need to overcome factors in the decision of developers to refrain from IHP participation in areas where utilization of this voluntary affordable housing production mechanism has been disappointing.

Quality Housing contextual zoning districts, such as the R7A along Grand Street, permits maximum development height without regard to whether the development fully utilizes the IHP floor area bonus or merely is developed to the much lower base floor area standard. By permitting this height with 33 percent less floor area, developers might replicate the slender towers that many communities have deemed out-of-context without public benefit. In addition, developers might

utilize the added volume by increasing floor to ceiling heights, increasing the cost of construction and the developer's expectation of how much more for which an apartment might sell. Excessive ceiling height could further lead to subsequent illegal construction of mezzanine space.

The Borough President believes that developers do not need to be rewarded with the extra height pursuant to the IHP without the provision of affordable housing. He believes that the base floor area can readily be accommodated in less height than what is needed to accommodate the additional 33 percent floor area provided by using the IHP affordable housing floor area bonus.

There are precedents of land use actions that conditioned maximum achievable height to the utilization of the IHP floor area bonus. These examples reward developers that provide affordable housing with extra height to accommodate the additional 33 percent more floor area. The taller building results in more upper floor apartments, with their enhanced views, that typically increase the market value of such units as compared to the lower floors. The Special Permit granted by the City Planning Commission at the former Domino Sugar site was conditioned on the utilization of the IHP bonus. In addition, for Williamsburg and Greenpoint waterfront sites, pursuant to ZR 62-354 (b) (2), for developments that provide affordable housing pursuant to Section 62-352 (Inclusionary Housing), the increased floor area permitted for developments facilitating affordable housing permit the towers to exceed the height of the district by an additional 70 feet. The Borough President believes it is necessary to harness the value of such higher floors to induce developers to incorporate the voluntary affordable housing floor area bonus in their projects.

Therefore, the Borough President believes that there is a need to amend the text of the Zoning Resolution's IHP to condition the permitted maximum height in Quality Housing contextual IH zoning districts to the utilization of the Inclusionary Zoning floor area incentive. Should development proceed without use of the voluntary affordable housing floor area bonus, maximum building height should be reduced by one or more floors. The applicability of the voluntary bonus warrants consideration consistent with these other examples as an added means to encourage developers to utilize the voluntary Inclusionary Housing option.

City Council Action to Further Affordable Housing Development in this Section of Williamsburg:
Modifying the Provisions of 421-a to be in Harmony with the Inclusionary Housing Incentive

The rules for the City of New York governing tax exemptions, under Section 421-a of the Real Property Law of New York State, was amended in response to concern that too often the benefit was not necessary to promote development. In certain geographic areas obtaining 421-a benefits require placement of affordable housing units on the zoning lot and that such housing be priced to house those with incomes not exceeding 60 percent of Area Median Income (AMI). These changes are not consistent with Zoning Resolution Sections 23-911 (Definitions) and diminish the attractiveness of provisions of 23-94(a) (Methods of Providing Affordable Housing). As a result, too many developers seem to have determined that it does not make sense to obtain 421-a benefits and thus no affordable housing is produced. But with the exception of 695 Grand Street, this appears to be the case for the inland section of Williamsburg where the Inclusionary Housing Program is designated along corridors such as Grand Street and Bushwick, Metropolitan and Union Avenues where the Inclusionary Housing was made applicable in 2009.

The Borough President believes that developers should have optimum enticement to provide affordable housing pursuant to the IHP. Therefore, the City Council should consider amending the

421-a tax exemption to be consistent with the Zoning Resolution. Such flexibility would make it easier to utilize the incentive on smaller sites by achieving affordable housing elsewhere in the Community District or within one-half mile of the development with affordable housing provided in new construction, or by preserving units within existing developments – which would prevent displacement.

RECOMMENDATION

Be it resolved that the Borough President of Brooklyn, pursuant to sections 197-c of the New York City Charter and Article 16 of General Municipal Law for New York State, recommends that the City Planning Commission and City Council approve the land use action requested according to the following conditions:

That the Department of Housing Preservation and Development incorporates in either the Regulatory Agreement or Land Disposition Agreement:

1. That all of the supportive and non-supportive housing units be permanently affordable.

2. Require the project sponsor to retain Brooklyn-based contractors and subcontractors, especially those that are designated LBEs consistent with section 6-108.1 of the City's Administrative Code, and MWBE establishments, as a means to meet or exceed standards per Local Law 1 (not less than 20 percent participation), as well as to coordinate the monitoring of such participation with an appropriate monitoring agency.

And that the City Council has such stipulations incorporated into such agreements prior to granting its approval.

Be it further resolved that:

1. The City include 695 Grand Street as part of its policy to extend the local community preference to those former Community District 1 residents that were displaced since the rezoning of the waterfront sections of the neighborhood.

2. The City facilitate the development of affordable housing in the inland section of Williamsburg by:

    a. Allocating funding and designating a developer for the former Greenpoint Hospital site.
    b. Proceeding with urban renewal site assemblages and site dispositions to affordable housing developers in the Broadway Triangle.
    c. Modifying the Zoning Resolution's Inclusionary Housing Program to condition the permitted maximum height in Quality Housing contextual IH zoning districts to the utilization of the Inclusionary Zoning floor area incentive, otherwise maximum building height should be reduced by one or more floors.

3. The City facilitate the development of affordable housing by encouraging offsite preservation and/or new construction in the inland section of Williamsburg by amending the Rules of the City of New York pertaining to the Rules governing tax exemptions under Section 421-a of the Real Property Law of New York State pertaining to limits of Area Median Income and placement of affordable housing units to be consistent with Zoning Resolution Sections 23-911 (Definitions) and 23-94(a) (Methods of Providing Affordable Housing).