

**Comments of Community Board 7/Manhattan
(Land Use Committee) Concerning
Affordable Housing Plan at 10 Freedom Place
October 24, 2014**

Pursuant to Section 29 of the Zoning Resolution, the Land Use Committee of Community Board 7 has reviewed the Affordable Housing Plan for 10 Freedom Place (the “Plan”). As noted below, several members of the committee have serious concerns about the public policy as reflected in the Zoning Resolution which gave rise to this Plan; however, given the current text of the Zoning Resolution, the Committee approves the Plan provided the following conditions are met:

1. The project will consist of 363 residential apartments of which 116 would be affordable rental units. The project has been designed by Pelli Clarke Pelli, architects, and will be completed in substantial compliance with the drawings displayed to the Land Use Committee.

2. The rental units will be in a segment of a larger building (One West End Avenue) and will be owned by a not-for-profit organization selected by the Department of Housing Preservation & Development (“HPD”) which organization will also manage the rental units. HPD will oversee the not-for-profit organization and has the right to replace that organization with another manager. The manager will be selected from among Phipps Houses, Common Ground, University Settlement Housing and Met Council, all of whom have extensive experience in managing affording housing projects.

3. The affordable units will be occupied by a mix of individuals earning between 60-80% of the area median income (“AMI”) (currently \$50,340 – \$67,120). They will consist of 27 studios, 28 one bedroom apartments and 61 two bedroom apartments.

4. Initial rentals for the affordable units will range from \$980-\$1,317 per month.

5. The affordable units will be approximately 26% larger than the minimum apartment sizes prescribed by HPD.

6. The affordable units will contain amenities as shown in display boards provided to the committee at its meeting on October 15. (While the amenities will not be identical to those in the market rate units at One West End Avenue, they will be of high quality, and will include air conditioners and full kitchens). Bathrooms will be ADA compliant and will meet or exceed all code requirements.

7. The building segment which houses the affordable units will have an entrance on Freedom Place accessed via swipe cards and intercom with video and voice features, as well as an adequate and secure mailbox location. The lobby will be of high quality, walnut lined with durable wood flooring or carpeting. The other common areas will have carpeting or durable wood flooring with renewable all surfaces (wall covering or high-quality paint). Lighting in the common areas will be non-industrial. Meeting areas will have appropriate furniture and accessories, including moveable furniture and seating areas for adults and children.

8. HPD has reviewed and approved an initial budget for the affordable housing units, which budget provides for an annual surplus. In addition, the developer will contribute a minimum of \$1.3 million to a reserve fund for the affordable units segment. The market rate condo owners will contribute an annual amount which in the first year will be a minimum of \$120,000 toward the maintenance of the affordable housing segment. Additionally, the market rate condo owners will waive the annual contribution made by the affordable housing unit segment toward common expenses up to \$300,000 per year in order to meet expenses of the affordable housing segment, if necessary.

9. The condominium operating agreement and offering material will incorporate all of the provisions above relating to the relationship between the market rate condominiums and the affordable housing segment.

10. The affordable housing tenants will have available as an amenity the roof garden above the affordable housing segment as well as access to the pool located in the market rate housing segment and will have a gymnasium, laundry room and meeting room at least equal in appointments and in size to those amenities provided to market rate tenants.

In reviewing the affordable housing plan, Community Board 7 has not addressed the public policy issue with respect to the creation of separate market rate and affordable housing segments and separate entrances in a single structure. This is an important issue which bears a full examination. Nor do these comments address the advisability of requiring that affordable housing units be located on site as opposed to elsewhere in the district. We have been advised by the developer that the cost of the affordable housing units is roughly \$900,000 per unit or slightly more than \$100,000,000. We look forward to a full and frank exploration of the issue as to whether the same amount of money can more profitably be spent by building a larger number of affordable housing units off site.

Several members of the Committee believe that permitting the affordable housing units to be segmented apart from the market rate units is bad public policy. Several members also believe that for the same dollar expenditures a larger number of units could be constructed elsewhere in the district rather than on site.

Regardless of one's view on these issues, they are of great importance and, in view of the pendency of at least three other buildings in the same development, should be addressed thoroughly and quickly. If an amendment to the Zoning Resolution is to be promulgated, the time to begin work on it is now. To that end, Community Board 7 will study the issue and make proposals. We welcome insight from HPD.