



CITY OF NEW YORK

**MANHATTAN COMMUNITY BOARD FOUR**

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**BURT LAZARIN**  
Chair

**JESSE R. BODINE**  
District Manager

April 8, 2019

Marisa Lago  
Chair New York City Planning Commission  
120 Broadway 31<sup>st</sup> Floor  
New York, NY 10271

Maria Torres-Springer  
Commissioner  
NYC Department of Housing Preservation & Development  
100 Gold Street New York, NY 10038

**Re: ULURP Application No. 190253HAM  
201-207 7<sup>th</sup> Avenue  
Affordable Neighborhood Cooperative Program**

Dear Chair Lago and Commissioner Torres-Springer,

On the recommendation of its Housing, Health, and Human Services (HHHS) and Chelsea Land Use (CLU) Committees, Manhattan Community Board 4 (MCB4) voted 32 to approve, 0 opposed, 0 abstaining, and 0 present not eligible to recommend **denial** of the 190253HAM Uniform Land Use Review Procedure (ULURP) application for the proposed development at 201-207 7<sup>th</sup> Avenue (the "Site") – **unless the conditions and recommendations are met** as set forth below in the Approval Conditions section.

**Background**

The Site is on the southeast corner of 7<sup>th</sup> Avenue and West 22<sup>nd</sup> Street and is currently occupied by four 5-story tenement buildings located at 201 7<sup>th</sup> Avenue, 203 7<sup>th</sup> Avenue, 205 7<sup>th</sup> Avenue, and 207 7<sup>th</sup> Avenue. These contiguous buildings currently contain 14 residential apartments. Built around 1870, they are pre-old law tenements. Following years of landlord abandonment, the City foreclosed on the buildings on April 28, 1976. Over the next few decades, the buildings were entered into several different HPD programs, beginning with the Tenant Interim Lease (TIL) Program in 1978. The buildings left the TIL Program in the mid-1980s and were then directly managed by HPD

until the late 1990s. At that point, they were briefly placed in the Neighborhood Redevelopment Program (NRP). In 1997 the buildings re-entered the TIL Program.

### **For Profit Developer Designated**

From 1997 until present, as the TIL Program changed, the buildings were moved to the Affordable Neighborhood Cooperative Program (ANCP) and a private developer was designated in 2013. HPD began relocating tenants in preparation for the renovation of the Site.

### **New Not for Profit Developer Designated**

ANCP later determined the developer was not performing and designated Asian Americans for Equality (AAFE) as the new developer in 2017. At the request of then Council Member—now Council Speaker—Corey Johnson, ANCP and the new developer met with representatives of MCB4 on August 7, 2017 to discuss plans for redevelopment. At that meeting, ANCP and the development team informed MCB4 that the buildings could not be preserved and required demolition.

MCB4 was not pleased to hear that assessment, considering that it had advocated for the renovation of the buildings for over two decades. MCB4 requested that the sponsor undertake a full review to determine whether the structures could be preserved. MCB4 did not hear from HPD and the development team again until November 2017, when the sponsor informed MCB4 that after completing a full review of the structural condition of the buildings, they could not be preserved. MCB4 asked HPD and the development team to meet with the HHHS Committee for a full presentation. That presentation finally took place on February 13, 2018. At the conclusion of that meeting MCB4 requested that the team return within the coming months to provide project updates<sup>1</sup>.

At HPD's presentation to the HHHS Committee on February 13, 2018, two tenants were present. Both tenants expressed dissatisfaction with HPD's lack of communication, clarity, and lack of developed plans. One tenant stated that they did not receive a notification from HPD about the public meeting and was instead informed by someone living in their building. Tenants noted they had been presented with multiple plans but the project had never started. Both tenants stated that they had not had regular meetings with HPD for years. In its letter to HPD on March 2018, MCB4 requested that HPD keep the buildings' tenants informed to ensure their ongoing participation in the development process. In light of this request, MCB4 was very disappointed to see that no tenants were present at the MCB4 HHHS and CLU Committee meeting on April 17, 2018. At the April 17<sup>th</sup>, 2018 meeting, the development team presented initial apartment layouts and massing diagrams. MCB4 felt that neither was detailed enough to comment and

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<sup>1</sup> [MCB4 Letter to HPD dated March 13, 2018.](#)

requested that MCB4 be provided with further updates and information from the development team as the proposed plan progressed. Following the meeting, MCB4 requested two specific items in the May 14<sup>th</sup>, 2018 letter<sup>2</sup>:

- All relocation and all communication to be handled by Asian Americans for Equality (AAFE), the not for profit developer.
- Design Changes: 3 bedroom apartments to be included in the building program and HPD and AAFE to work with MCB4 to obtain a Mayoral override to maximize the project's residential floor area.

Following the April 17<sup>th</sup>, 2018 meeting, HPD, AAFE, Aime Gross Architects (AGA), the project architect, and MCB4 continued to work diligently together through a series of briefings and conference calls on:

- August 14<sup>th</sup> 2018
- November 16<sup>th</sup> 2018
- December 19<sup>th</sup> 2018
- January 23<sup>rd</sup> 2019
- March 14<sup>th</sup> 2019

During the course of these briefings and conference calls, the main focus was always on the building design, where all parties worked together to produce a proposal that would be acceptable to the Chelsea community. A great deal of progress was made regarding building design to make the proposal acceptable to the Chelsea community and MCB4. Throughout the process, MCB4 made the incorrect assumption that the affordable housing program component would be consistent with other affordable rental or co-op developments previously proposed by HPD to the Board and would not require much further discussion.

### **ULURP Action for Disposition of City Owned Property**

This ULURP application was certified by the Department of City Planning for review on January 28<sup>th</sup> 2019. The application is a designation and project approval pursuant to the NYS Urban Development Action Area Act Program (UDAAP), in conjunction with the disposition of city-owned property. The proposed development is part of the HPD Affordable Neighborhood Cooperative Program (ANCP) that supports the development of affordable co-op apartments. Following this certification, as part of the mandated public review process, MCB4 held two public hearings for on February 21<sup>st</sup> 2019 and March 18<sup>th</sup> 2019. These public hearings were held in joint meetings of MCB4's Housing, Health, and Human Services and Chelsea Land Use Committees. These meetings were exceptionally well-attended by the majority of both MCB4 committees, representatives of elected officials, neighboring residents, and community residents including representatives of the Chelsea West 200 Block Association, the Council of Chelsea Block Associations, and Save Chelsea, totaling over 40 attendees present in both meetings.

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<sup>2</sup> [MCB4 Letter to HPD dated May 14th, 2018](#)

During the February 21<sup>st</sup>, 2019 meeting, the focus was predominantly on the physical building design that was proposed by HPD, AFEE, and AGA. This was well-received by Committee members with very little left to comment, reflective of the long iterative process that was done prior to the meeting. Minimal information regarding the housing program was presented and discussed during this meeting.

The March 18<sup>th</sup>, 2019 meeting, which focused largely on the housing program, resulted in numerous serious questions from Committee members and the public regarding income bands, permanent affordability, household/apartment size, and preventing windfall profit upon resale.

## **Proposed Development**

### Public Hearing – February 21<sup>st</sup> 2019

#### *Building Design*

During the prior briefings and conference calls, MCB4 had communicated concerns for the building design, i.e. concern that the building mass might be overwhelmed by its surrounding context, considering the Site's position on a prominent corner but its bulk limitations due to the Site's limited floor area ratio. MCB4 requested the architect use existing mid-block loft typologies throughout the district as a model reference for the design. The design team came back with multiple design studies and reference photos which were used in the presented proposed design. The result was a modern interpretation of an early 20<sup>th</sup> century loft building.

The proposed exterior design focuses on conveying a strong sense of presence through a 7-story base with an approximately 70-foot high streetwall. The roof bulkhead is set back and further elongated to create the illusion of additional mass. Pilasters continuing from the ground floor to the top of the building further strengthen the building's solid mass, accentuated on the corners with the use of glazed bricks of a darker color. To avoid a large slab-like structure, the exterior masonry material is articulated with brick color variation between beige and a darker earth tone.

This overall development will comply with Enterprise Green Communities requirements for sustainability measures.<sup>3</sup>

#### *Commercial Space and Amenities Layout*

The ground floor facing 7<sup>th</sup> Avenue is designed as 3 small commercial spaces to promote smaller neighborhood business use. A portion of the building's cellar is allocated as storage space for these commercial spaces.

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<sup>3</sup> [HPD Enterprise Green Communities Criteria](#)

The residential lobby and an outdoor residential courtyard are also on the ground floor, with the residential entrance from West 22<sup>nd</sup> street. The residential lobby has a refuse room and package room. Bicycle parking for the residents is located in the cellar, accessible by elevator. The 8<sup>th</sup> floor of this building has a laundry room, community room, and a roof garden. Access to the roof garden is through the recreation room or laundry room.

*Apartment Layout*

The proposed development will have 26 apartments. The apartment distribution is as follows:

<b>Floor</b>	<b>Studio</b>	<b>1-Bedroom</b>	<b>2-Bedroom</b>	<b>3-Bedroom</b>
2 <sup>nd</sup> Floor	2	1	-	1
3 <sup>rd</sup> Floor	2	1	-	1
4 <sup>th</sup> Floor	1	2	1	-
5 <sup>th</sup> Floor	1	2	1	-
6 <sup>th</sup> Floor	1	2	1	-
7 <sup>th</sup> Floor	1	2	1	-
8 <sup>th</sup> Floor	-	-	-	-
9 <sup>th</sup> Floor	1	-	1	-
<b>Total</b>	<b>9</b>	<b>10</b>	<b>5</b>	<b>2</b>

All apartments and all floors will be ADA-accessible with elevator service. The proposed development will provide accessible apartments: 5% for the mobility-impaired (1 apartment) and 2% for the audio visually-impaired (1 apartment). All other apartments will also be adaptable for future full accessibility.

Public Hearing 2 – March 18<sup>th</sup> 2019

*Housing Program*

The March 18<sup>th</sup> 2019 meeting focused on HPD’s proposed Affordable Housing Program.

*Income Restrictions*

As part of the HPD Affordable Neighborhood Cooperative Program, the proposed development will create 26 affordable co-op apartments for purchase. Five of the 26 apartments are reserved for the returning existing tenants, regardless of their current income. The remaining 21 apartments will be available through lottery for purchase to the general public, with a maximum income of 160% Area Medium Income (AMI).

*Purchase Price*

All returning tenants will be eligible for a purchase price of \$2,500, regardless of apartment type or size. The proposed monthly maintenance fees and outsider purchase price are as follows.

	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Monthly Maintenance (40% AMI)	\$688	\$860	\$1,033	\$1,193
Purchase Price	\$391,822	\$489,777	\$587,732	Not available for purchase <sup>4</sup>

*Project Regulatory, Real Estate Tax & Mortgage Structure*

- An Article XI Housing Development Company (HDFC) will place income restrictions on future owners, limiting ownership to households making no more than 165% AMI
- As an affordable housing development funded by HPD, the HDFC will execute a Regulatory Agreement with HPD detailing the nature and term of affordability of this development.
- To support the long term affordability of this development, HPD will request a full 40-year Article XI tax exemption for the residential portion of the building. The commercial portion will pay full real estate taxes, passed along to the commercial tenants.
- Real Estate taxes will commence upon the conveyance of the properties to Restoring Communities HDFC<sup>5</sup>.
- HPD will also have an Enforcement Mortgage<sup>6</sup> for 40 years for the appraised value of the property less nominal acquisition cost of \$1. The Enforcement Mortgage is due and payable if there is a default of the Regulatory Agreement.

*Income Band*

Up to 160% of AMI

*Resale Restrictions*

Resale restrictions would be for a 40-year term. Profit would be split between the HDFC and exiting shareholder and the percentage to the shareholder would increase over time. There would be more profit for an original tenant reselling, due to the original nominal purchase price of \$2,500.

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<sup>4</sup> The 2 available three-bedroom apartments are designated for 2 of the 5 returning tenants, hence are not available for purchase to outsiders. The estimated price for outsiders would have been \$679,158.

<sup>5</sup> An interim ownership step during construction, prior to project completion and coop conversion

<sup>6</sup> An Enforcement Mortgage will be the value difference between the appraised market value and the nominal purchase price, an amount upon which no payments are due and exist solely to enforce regulatory provisions for income bands, affordability terms, and building operations. In the case where those requirements are not met, the Enforcement Mortgage is the mechanism which ensures compliance of the project.

## *Committee Discussion*

The majority of the Committee and public discussion regarded permanent affordability, broader income bands and preventing windfall profits to current tenants and future coop owners. The Chelsea community is committed to affordable home ownership which promotes affordability as its goal, not building wealth. Also, given the extreme shortage of family-sized affordable housing, the Committee and the public opposed HPD's proposal to have current single person household tenants return to 2-bedroom apartments.

The majority of comments are summarized as follows:

- Permanent affordability has been and continues to be a linchpin of securing community support for this proposed project. A 30 year affordability restriction is not sufficient.
- The income bands should be in tiers with apartments both for up to 130% of AMI and 165% AMI.
- Windfall profits must be prevented through strong and well-monitored resale restrictions for both current long term tenants and future owners.
- Apartment size for existing tenants should reflect current household composition: 1-bedroom apartments for single persons and 2 or 3-bedroom apartments for families depending upon household size.
- Use restrictions on proposed commercial spaces.

The lack of definitive response by HPD representatives has resulted in more extensive conditions to approval and the decision to deny this ULURP application unless the conditions detailed below are met.

## **MCB4 Approval Conditions**

### ***Building Design***

#### *Façade Exterior*

- Change the façade brick to a darker shade of brown for the upper floors
- Replace the current proposed panel material for the 1<sup>st</sup> to 2<sup>nd</sup> floor spandrels with material less shiny and reflective

#### *Apartment Layouts*

- Relocate the 3-bedroom apartments<sup>7</sup>, from the lower floors to the higher floors, closer to the tenant amenities.
- Designate, for the two ADA accessible apartments provided, a 1-bedroom apartment and a 2-bedroom apartment.

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<sup>7</sup> MCB4 recognizes that although MCB4 will always advocate for more 3-bedroom family sized apartments AAFE, the NFP developer is not able to accommodate this request and maintain project feasibility.

### *Tenant Amenities*

- Modify the design of the amenities floor to provide direct entry to the outdoor roof garden without needing to go through the laundry or community room.
- Include roof garden pavers and basic planters as part of the development cost. Such work should be basic, in consideration of project feasibility challenges.

### *Commercial Space*

- Prohibit use of the ground floor tenant courtyard for any commercial use in conjunction the adjacent commercial space.
- Require all retail tenants to abide by MCB4 rules and regulations regarding liquor<sup>8</sup> and noise<sup>9</sup>.

### ***Housing Program***

#### *Permanent Affordability*

MCB4 requests regarding permanent affordability are as follows:

- The HPD Regulatory Agreement as well as the Enforcement Mortgage needs to be extended to a minimum of 80 years for both income and resale restrictions

#### *Income Restrictions*

- Include income bands in two tiers at 130% AMI and at 160%, to accommodate a broader range of affordability, so the incoming purchasers are not only at the highest AMI band.
- Reduce the proposed sale prices for the 130% AMI units to ensure affordability for that income band.

#### *Resale Restrictions*

- Have all apartments sold back to the HDFC for resale. Do not allow sales directly between incoming and prospective purchasers to eliminate under-the-table payments.
- Establish apartment resale price caps to maintain affordability.

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<sup>8</sup> [MCB4 Policy Regarding Concentration and Location of Alcohol-Serving Establishments](#)

<sup>9</sup> [MCB4 Bar and Restaurant Nuisance Reporting Protocol](#)



- Prevent any ability for windfall profits upon resale for all purchasers: both long term tenants and new purchasers.
- Prevent windfall profit for long term tenant purchasers by including a higher percentage of profit for the HDFC on insider, i.e. \$2,500 purchase price resales.
- Consider the resale model used at the Penn South Redevelopment Houses, which has been proven to support both long term affordability and neighborhood stability.

#### *Household/Apartment Size*

- Allocation of apartments for returning tenants should be appropriate to their current household size, and not to their previous apartment size.

#### *Commercial Spaces*

- Include a provision in the Regulatory Agreement to prohibit large commercial chain stores. The private market in Chelsea is saturated with such uses; this provision will promote small businesses.
- Include a provision in the Regulatory Agreement to have commercial spaces rented at 75% to 80% of market rates. The current per square foot commercial rents in Chelsea on 7<sup>th</sup> Avenue average from \$165 to \$200 per square foot. Even with a 20% to 25% reduction, the HDFC can generate substantial commercial income for its reserve fund, while promoting affordable small business use.

### **Project Feasibility and Financing**

MCB4 recognizes the high development cost of this project given:

- the physical limitations of the lot size
- the limited FAR at 6.02
- the adjacency to the West Side IRT tunnel
- the demolition cost premium, further exacerbated by the requirements of the MTA adjacency
- tenant relocation costs

Given that the project financing already includes an HPD capital subsidy of \$430,000 per unit (\$230,000 over the ANCP per unit funding guidelines), MCB4 remains seriously concerned that project feasibility may be lost as the development proceeds from planning to execution.

To ensure project feasibility and successful completion, the Board requests AAFE and HPD work with the Board and the Council Speaker's office to discuss and explore use of

the *West Chelsea Affordable Housing Fund (WCAHF<sup>10</sup>)* for gap financing as needed. As the project budget is further developed, if gap financing is needed, MCB4 asks both HPD and AAFE to return and present such need in a public committee meeting to present such request regarding the use of the WCAHF.

## **Conclusion**

The Board is grateful for the combined efforts of HPD, AAFE, AGA, and the Speaker's Office in bringing this project to the important milestone in beginning this ULURP public approval process. Due to the agencies', elected officials', and not-for-profit sponsor's willingness to work together with the Board, this unique project has been shaped and developed so that it is a proposal acceptable to the Chelsea community and can be endorsed by MCB4.

The majority of the building design matters have been addressed; the remaining open issues can be easily resolved. However, the Affordable Housing Program still presents major issues that need to be brought to a resolution, which have resulted in the Board's decision to deny this ULURP application unless the conditions above are met. Given the time limitations of the March 18<sup>th</sup> 2019 presentation within the ULURP timeframe, these conditions could not be fully addressed yet by HPD and the sponsor. MCB4 expects to work with HPD and AAFE to resolve these open items prior to the City Planning Commission hearing.

MCB4 looks forward to working with HPD and AFEE in order to bring this matter to a successful conclusion that benefits the residents and our community.

Sincerely,

Sincerely,

Burt Lazarin  
MCB4 Chair

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<sup>10</sup> The WCHAF is a provision of the Special West Chelsea District established in 2005. Its effectivity was triggered when 90% of the Highline development rights were purchased. That event occurred in 2017. From that time, developers could now purchase WCAHF development rights, not just Highline development rights. The per-square-foot price for WCHAF development rights was established by the City Planning Commission in September 2017. The WCHAF was established at HPD in March 2019. Currently two developers are seeking to purchase WCHAF development rights.

Signed [4/8/2019]  
Maria Ortiz, Co-Chair  
Housing, Health &  
Human Services Committee



Joe Restuccia, Co-Chair  
Housing, Health &  
Human Services Committee



Betty Mackintosh, Co-Chair  
Chelsea Land Use Committee



Lee Compton, Co-Chair  
Chelsea Land Use Committee

cc: Hon. Corey Johnson, Speaker, City Council  
Hon. Gale Brewer, Manhattan Borough President  
Hon. Brad Hoylman, New York State Senator  
Hon. Richard Gottfried, New York State Assembly  
Tenants of 201-207 7th Avenue (both on site and relocated)  
Save Chelsea  
Asians Americans for Equality  
NYC HPD



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**Burt Lazarin**  
Chair

**Jesse Bodine**  
District Manager

March 13, 2018

Maria Torres-Springer  
Commissioner  
Dept. of Housing Preservation and Development  
100 Gold Street  
New York, NY 10007

**Re: 201 7<sup>th</sup> Avenue  
Tenant Interim Lease Development  
Block 797 – Lots 80, 81, 82, and 83**

Dear Commissioner Torres-Springer,

On February 13, 2018 Manhattan Community Board 4 (MCB4) received a presentation from the Department of Housing Preservation and Development's (HPD) Affordable Neighborhood Cooperative Program (ANCP) regarding the redevelopment of four buildings located at 201 7<sup>th</sup> Avenue, 203 7<sup>th</sup> Avenue, 205 7<sup>th</sup> Avenue, and 207 7<sup>th</sup> Avenue (the "Site"). These buildings have been in disrepair and have been a major concern to MCB4, the Council of Chelsea Block Associations (CCBA), and the Council Member for many years. Three of the four commercial spaces on the Site are currently vacant, along with a majority of the residential units. The Board has long advocated for these buildings to be renovated for the production of affordable cooperative units and included the Site in its 2014 Affordable Housing Plan.

By a vote of 35 in favor, 0 opposed, 0 abstaining, and 0 present but not eligible to vote, MCB4 voted to **support the development concept with conditions.**

**Background**

The site is comprised of four five story tenement buildings located at 201 7<sup>th</sup> Avenue, 203 7<sup>th</sup> Avenue, 205 7<sup>th</sup> Avenue, and 207 7<sup>th</sup> Avenue. The buildings, which contain 14 residential units, are contiguous and sit on the southeast corner of 7<sup>th</sup> Avenue and West 22<sup>nd</sup> Street. Built around 1870, they are pre-old law tenements.

Following years of abandonment on behalf of the landlord, the City foreclosed on the buildings on April 28, 1976. Over the next few decades, the buildings were entered into several different HPD programs, beginning with the Tenant Interim Lease (TIL) Program in 1978. The buildings left the TIL Program in the mid-1980s and were then directly managed by HPD until the late

1990s. At that point, they were briefly placed in the Neighborhood Redevelopment Program (NRP). In 1997 the buildings were re-entered into the TIL Program.

From 1997 until present, as the TIL Program changed, the buildings were moved to the Affordable Neighborhood Cooperative Program (ANCP) and a private developer was designated in 2013. HPD began relocating tenants in preparation for redevelopment of the Site.

ANCP later determined the sponsor was not performing and designated a new sponsor in 2017. At the request of then Council Member—now Council Speaker—Corey Johnson, ANCP and the new sponsor met with representatives of MCB4 to discuss plans for redevelopment on August 7, 2017. At that meeting, ANCP and the development team informed the Board that the buildings could not be preserved and required demolition.

MCB4 was not pleased to hear that assessment, considering that it had advocated for the renovation of the buildings for over two decades. The Board requested that the sponsor undertake a full review to determine whether the structures could be preserved.

MCB4 did not hear from HPD and the development team again until November 2017, when the sponsor informed the Board that after completing a full review of the structural condition of the buildings, they could not be preserved. The Board asked HPD and the development team to meet with the Housing Committee for a full presentation.

### **Proposed Demolition and New Construction**

In its presentation on February 13, 2018, HPD and the sponsor stated that the structural reports indicated that the buildings could not be preserved. Both parties proposed to construct a new building with affordable cooperative units and ground floor commercial use. The Board reluctantly agreed to the proposal, noting the condition of the buildings was a direct result of HPD's inaction for over 20 years.

HPD's announcement prompted a great deal of discussion among committee members, members of the public, and HPD regarding future plans for the site<sup>1</sup>.

At the presentation, MCB4 requested that the plans for the buildings, which have not been developed, take into consideration the following:

- Apartment layouts that accommodate the buildings' existing tenants as future homeowners
- Compatibility with character of the surrounding buildings of the Chelsea neighborhood
- ADA compliance, including the provision of an elevator

HPD noted, in addition, that with a plan that proposes demolition and construction of a new building would now require a Uniform Land Use Review Process (ULURP). HPD represented

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<sup>1</sup> The Board would like to note that the construction of a new building will result in a single structure. That structure could be up to two stories above the five story buildings currently on the Site. However, the Board understands final project massing has not been prepared.

that the ULURP would proceed in 2018, with construction beginning in mid-2019 and finishing at the end of 2020.

### **Current Tenants**

After the November 2017 meeting, the Board discussed the temporary relocation of the three households still on Site. Clinton Housing Development Company (CHDC) offered to assist in the temporary relocation. On January 9, 2018 HPD met with two of the three onsite tenants, who inspected CHDC apartments and stated that they were interested in relocating temporarily.

At the presentation on February 13, 2018, two tenants were present: one currently living onsite and one that had been temporarily relocated eight years ago. Both tenants expressed dissatisfaction with HPD's lack of communication, clarity, and lack of developed plans. The offsite tenant stated that they did not receive a notification from HPD about the public meeting and was instead informed by someone living in their building. Tenants noted they had been presented with multiple plans but the project had never started. Both tenants stated that they had not had regular meetings with HPD for years

Members of the Housing Committee voiced serious concerns that during this redevelopment process there be regularly scheduled meetings with onsite and offsite relocated tenants. The Board requests that the buildings' tenants be kept informed throughout the plan development process.

### **MCB4 Requests**

MCB4 approved the concept of demolition and redevelopment of the Site with the following conditions:

1. HPD meet monthly with onsite and offsite tenants to ensure that they are an integral part of the redevelopment of the site.
2. HPD meet regularly with MCB4 and CCBA throughout the redevelopment process to ensure that proposed redevelopment and ULUP will move forward in a timely manner to ensure expedited public review

The Board expects that the next iteration of the proposal for the Site will include:

- Income bands for the proposed units
- Proposed apartment layouts
- Draft building elevations
- Proposed ULURP timeline

The Board also expects that all future proposals will continue to incorporate the community's concerns and priorities.

## Conclusion

MCB4 is pleased the Site will provide much needed affordable housing for low and moderate income households. The Board looks forward to working with you and the developer to improve this prominent block on the corner of West 22<sup>nd</sup> Street and 7<sup>th</sup> Avenue. However, considering the extensive delays of this project, the Board requests regularly scheduled meetings or project updates.

Sincerely,



Burt Lazarin  
MCB4 Chair



[signed 3/13/18]  
Barbara Davis, Co-Chair  
Housing, Health &  
Human Services Committee

Joe Restuccia, Co-Chair  
Housing, Health &  
Human Services Committee

cc: Hon. Corey Johnson, Speaker, City Council  
Hon. Gale Brewer, Manhattan Borough President  
Hon. Brad Hoylman, New York State Senator  
Hon. Richard Gottfried, New York State Assembly  
Residents of 201-207 7th Avenue, on location and relocated  
Save Chelsea



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May 14, 2018

Maria Torres-Springer  
Commissioner  
Dept. of Housing Preservation and Development  
100 Gold Street  
New York, NY 10007

**Re: 201 7<sup>th</sup> Avenue  
Tenant Interim Lease  
Affordable Neighborhood Cooperative Program  
Proposed Redevelopment**

Dear Commissioner Torres-Springer,

On April 17, 2018 Manhattan Community Board 4 (MCB4)'s Housing Health and Human Services and Chelsea Land Use Committees received a follow-up presentation from the Department of Housing Preservation and Development (HPD) regarding the development of four buildings located at 201 7<sup>th</sup> Avenue, 203 7<sup>th</sup> Avenue, 205 7<sup>th</sup> Avenue, and 207 7<sup>th</sup> Avenue (the "Site").

By a vote of 43 in favor, 0 opposed, 0 abstaining, and 0 present but not eligible to vote, MCB4 voted to make the requests outlined below:

- Relocation and all communication to be handled by Asian Americans for Equality (AAFE), the developer
- Design Changes: 3 bedroom units to be included in the building program and HPD and AAFE will work with MCB4 to obtain a mayoral override to maximize the project's residential floor area

**Background**

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Following years of landlord abandonment, the City foreclosed on the buildings on April 28, 1976. Over the next few decades, the buildings were entered into several different HPD programs, beginning with the Tenant Interim Lease (TIL) Program in 1978. The buildings left the TIL Program in the mid-1980s and were then directly managed by HPD until the late 1990s. At that point, they were briefly placed in the Neighborhood Redevelopment Program (NRP). In 1997 the buildings re-entered the TIL Program.

From 1997 until present, as the TIL Program changed, the buildings were moved to the Affordable Neighborhood Cooperative Program (ANCP) and a private developer was designated in 2013. HPD began relocating tenants in preparation for redevelopment of the Site.

ANCP later determined the developer was not performing and designated Asian Americans for Equality (AAFE) as the new developer in 2017. At the request of then Council Member—now Council Speaker—Corey Johnson, ANCP and the new developer met with representatives of MCB4 to discuss plans for redevelopment on August 7, 2017. At that meeting, ANCP and the development team informed MCB4 that the buildings could not be preserved and required demolition.

MCB4 was not pleased to hear that assessment, considering that it had advocated for the renovation of the buildings for over two decades. MCB4 requested that the sponsor undertake a full review to determine whether the structures could be preserved.

MCB4 did not hear from HPD and the development team again until November 2017, when the sponsor informed MCB4 that after completing a full review of the structural condition of the buildings, they could not be preserved. MCB4 asked HPD and the development team to meet with the Housing, Health, and Human Services Committee for a full presentation. That presentation finally took place on February 13, 2018. At the conclusion of that meeting MCB4 requested that the team return within the coming months to provide project updates<sup>1</sup>.

### **Tenant Outreach and Communication**

At HPD's presentation to the Housing, Health, and Human Services Committee on February 13, 2018, two tenants were present. Both tenants expressed dissatisfaction with HPD's lack of communication, clarity, and lack of developed plans. One tenant stated that they did not receive a notification from HPD about the public meeting and was instead informed by someone living in their building. Tenants noted they had been presented with multiple plans but the project had never started. Both tenants stated that they had not had regular meetings with HPD for years. In its letter to HPD on March 2018, MCB4 requested that HPD keep the buildings' tenants informed to ensure their ongoing participation in the development process.

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<sup>1</sup> [MCB4 Letter to HPD dated March 13, 2018.](#)

In light of this request, MCB4 was very disappointed to see that no tenants were present at the meeting on April 17, 2018. MCB4 understands that tenants have received communications from HPD, the developer, and the Council Speaker's office. MCB4 requests that tenant outreach be managed by AAFE, not HPD, and that AAFE designate a specific staff member to act as tenant liaison. MCB4 believes this arrangement will help to better ensure clear and consistent communication, as well as trust, with the tenants.

### **Tenant Relocation**

HPD has been managing the relocation of the three remaining tenants on the Site. For the same reasons cited above, MCB4 requests that tenant relocation now be managed by AAFE, not HPD, and that AAFE designate a specific staff member to act as tenant liaison for relocation.

### **Proposed Building Schematics**

At the April 17, 2018 meeting the development team presented initial apartment layouts and massing diagrams. MCB4 felt that neither was detailed enough to comment on except for the following:

- 3 bedroom units should be included along with proposed studio, 1, and 2 bedrooms
- Proposed corner setback from the street to accomplish sidewalk widening is neither desirable nor needed
- Elevator core should be shifted south to maximize apartment square footage <sup>2</sup>

### **Consistent Communication and Updates with Board**

MCB4 thanks HPD and the developer for returning for the second time in two months to meet and provide updates. However, MCB4 would like to note that on April 13, 2018 it received a presentation from HPD that included massing diagrams and layouts that were dated July 21, 2017. Therefore, this development scheme, for demolition and new construction, was developed prior to our initial meeting in August 2017 *and not shared with MCB4 for nine months.*

That approach does not indicate transparency or cooperation.

Throughout its communication with HPD, MCB4 has requested frequent updates on the status of the project. MCB4 reiterates its request to be provided with updates and

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<sup>2</sup> The architect responded that the building, as currently designed, is at its maximum zoning floor area. Committee members indicated support for a mayoral zoning override of bulk in order to increase the square footage of affordable housing.


information from the development team as the proposed plan progresses. Doing so would assist the project—which has already experienced extraordinary delays—in going through the public review process in a more speedy and efficient manner.

## Conclusion

MCB4 still remains encouraged by the progress HPD and the developer have made on the proposed 201 7<sup>th</sup> Avenue development. However, in order to have a public and effective process, MCB4 exhorts HPD and the developer to continue discussing the project with MCB4. Most importantly, MCB4 wants to ensure that the tenants—both onsite and relocated—are engaged throughout this process.

MCB4 looks forward to working with HPD and AAFE, in redeveloping this prominent location on the corner of West 22<sup>nd</sup> Street and 7<sup>th</sup> Avenue as permanent affordable housing.

Sincerely,


  
Burt Lazarin  
MCB4 Chair

Signed [5/14/2018]  
Barbara Davis, Co-Chair  
Housing, Health &  
Human Services Committee



Joe Restuccia, Co-Chair  
Housing, Health &  
Human Services Committee

  
Betty Mackintosh, Co-Chair  
Chelsea Land Use Committee

  
Lee Compton, Co-Chair  
Chelsea Land Use Committee

cc: Hon. Corey Johnson, Speaker, City Council  
Hon. Gale Brewer, Manhattan Borough President  
Hon. Brad Hoylman, New York State Senator  
Hon. Richard Gottfried, New York State Assembly  
Tenants of 201-207 7th Avenue (both on site and relocated)  
Save Chelsea  
T. Yu, Asians Americans for Equality  
A. Alexopoulos, Asians Americans for Equality  
C. Ratzleff, ANCP Program, HPD