#### CITY OF NEW YORK



#### MANHATTAN COMMUNITY BOARD FOUR

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Burt Lazarin Chair

Jesse Bodine District Manager

February 26, 2019

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

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

Thomas Fariello Acting Commissioner NYC Department of Buildings 280 Broadway New York, NY 10007

**Re:** 317-319 West 35<sup>th</sup> Street

**Proposed Building Preservation** 

**Hotel Use & Permanent Affordable Housing** 

Dear Chair Lago, Commissioner Torres-Springer, and Acting-Commissioner Fariello:

At Manhattan Community Board 4's (MCB4) Clinton/Hell's Kitchen Land Use meeting, on January 9, 2019, members once again discussed 317-319 West 35<sup>th</sup> Street, a site containing two residential buildings which were partially demolished illegally.

This site is one of the 12 sites on which MCB4 has seen the attempt of illegal demolition since December 2015. **These 12 sites encompass 24 buildings and 170 units and span through the Garment Center, West Chelsea, Hudson Yards, and Clinton Special Zoning Districts.** This affordable stock is now under threat. The Special District Zoning text prohibits demolition of

residential buildings, as a means of preserving affordable housing for the long-term community residents of those buildings.

By a vote of 33 in favor, 0 opposed, 0 abstaining, and 0 present but not eligible, MCB4 voted to reaffirm support of this project.

### **Background**

317 and 319 West 35<sup>th</sup> Street are both 5-story tenement buildings in the Special Garment Center District. 317 West 35<sup>th</sup> Street contained 18 units and 319 West 35<sup>th</sup> Street contained 10 units. On May 31, 2016, MCB4 received a notice from a demolition contractor stating that these buildings were going to be demolished. The buildings are located in the Garment Center Subdistrict A-2, formerly known as Preservation Area P-2, of the Garment Center Special District, where residential buildings cannot be demolished. On June 21, 2016, MCB4 sent a letter to DOB requesting a Stop Work order for the two buildings. Subsequently, DOB stopped their review of the plans and ultimately did not approve the demolition plans.

From December 2016 through February 2017, the owner and the Board met several times to arrive at a zoning compliant plan to develop both hotel use and affordable residential housing. MCB4 endorsed this plan as stated in our March 30, 2017 letter<sup>1</sup>. In June 2018, the Owner returned to the Board and proposed a fully residential building, without affordable units. MCB4 urged the Owner to reconsider this proposal and to continue working together with MCB4, the Department of City Planning (DCP), and City Council Land Use to provide a zoning text that would enable them to proceed with their original proposal, as stated in our August 7, 2018 letter<sup>2</sup>.

Following that request, and as part of the Special Garment Center District Rezoning, MCB4 had requested the development of an "A-Text" to provide a zoning solution for illegal demolition sites in which proposed hotel developments would also create permanent affordable housing<sup>3</sup>.

## **Garment Center Rezoning – December 20, 2018**

In March 2017, the City proposed a package of changes to the SGCD. During the review of this rezoning, among other requests, MCB4 had also specifically requested the development of language in an "A-Text" to allow:

- o "Sandwiching" of residential use below commercial
- o Grandfathering the site to secure affordable housing
  - MCB4 has been working with DCP to establish a Special Permit requirement for any new hotels in the Special Garment Center District. However, the building has been vacant since before the referral date of June 11<sup>th</sup>, thus grandfathering the site.

<sup>&</sup>lt;sup>1</sup> MCB4 CHKLU March 30th, 2017 Letter

<sup>&</sup>lt;sup>2</sup> MCB4 CHKLU August 7th, 2018 Letter

MCB4 CHKLU August 20th, 2018 Letter

MCB4 proposed to include a provision in the SGCD zoning for cases in which a demolition permit was granted in error by DOB:

- In a case where an owner is providing permanent affordable housing on the site, to allow residential use below commercial use
- Grandfather the sites from the proposed SGCD Hotel Special Permit requirement
- To make the base FAR similar for both commercial and residential developments in which permanent affordable housing is included
- Create a text reference to the Inclusionary Housing zoning to allow a broader range of income bands
- Create a text reference to the Inclusionary Housing zoning to allow the use of both District Improvement Bonus and Inclusionary Housing Bonus in a pari passu manner

During the next several months, the Owner continued to work vigorously together with the Board to strive for a zoning compliant solution which would allow for development of both hotel use and permanently affordable housing. However, DCP had declined to develop an A-Text. During the course of negotiations of the SGCD Rezoning, the Owner continued to meet with the Board, the Council Speaker Staff, and DOB to propose an alternative solution.

# **Proposed Solution**

The Owner had proposed a solution, in which DOB has reviewed and considered as reasonable, to the "sandwiching" of residential use below commercial use. The solution proposes all of the floor area in the building to be initially converted to commercial use and then converted back to residential use pursuant to Article 1, Chapter 5 of the Zoning Resolution. This would allow the proposed project to exceed the base maximum floor area ratio for zoning lots in the Special Garment Center District containing residential uses and would allow the proposed project to have residential uses located on floors below transient hotel commercial uses. Accordingly, a Substantial Preservation Certification from the NYC Department of Housing Preservation and Development (HPD) would be required to implement this development strategy.

As part of the adoption of the SGCD Rezoning on December 20, 2018, this proposed project site was also grandfathered from the requirement of a Hotel Special Permit for transient hotels.

## **Proposed Project**

Given the solution now in place, on January 9, 2019, the Clinton/Hell's Kitchen Land Use Committee was presented with the following plan in which the owner has agreed to:

- Preserve both building facades
- One to one replacement of residential floor area
- Permanently affordable housing units to be subject to a Regulatory Agreement executed by HPD and the Owner

• Continue further development of the unit type breakdown as well as unit layouts of the affordable housing units, taking into consideration MCB4 has a prefence for larger units that will accommodate families<sup>4</sup>.

Proposed Development	:	Residential and hotel rooms
Proposed Stories	:	24
Proposed Total Residential Units	:	14
Proposed Permanently Affordable Residential Units	:	14
Proposed Hotel Rooms	:	144

The affordable units size breakdown is expected to be as follows:

- 10 Studios
- 2-one bedrooms
- 2-two bedrooms

MCB4 reiterates its support for the above proposed development under the following conditions:

- The proposed plan included the design of an exterior ramp, which was a design requirement due to the grade change of the site. The Board requests that the Owner continue to work and develop a plan to bring the entrance ramp within the building and not on to the exterior street
- The proposed façade showed a structure above the existing tenement façade, which was a requirement due to the SGCD 121-42 zoning provision. The Board would like to continue to work with the Owner and DOB to avoid the presence of this structure in the case of preservation of existing building façades
- The Owner will continue discussions with the Board regarding the program and administering the proposed ground floor community gallery space, the provisions of which should be included within the affordable housing Regulatory Agreement with HPD

#### **Conclusion**

MCB4 has seen demolition applications filed and/or approved for these 12 sites which encompass 24 buildings and 170 residential units in our district. Owners of these locations have sought to evade the zoning requirements of each of our four Special Zoning Districts that are meant to preserve affordable, rent stabilized housing. In some of these cases, owners have sought other methods to demolish this housing.

317-319 West 35<sup>th</sup> Street is among those sites. In this case, however, MCB4 and the Owner worked together to develop an innovative solution that both preserves the housing and allows

<sup>&</sup>lt;sup>4</sup> This request to accommodate families will result in an affordable unit count less than the 28 original apartments in the 2 buildings

development of a hotel use to proceed, while also ensuring permanent affordability. MCB4 requests that the Owner continue working with the Board to ensure that both goals are met.

The next steps in this process are to meet with HPD to develop and secure a Regulatory Agreement for the permanently affordable housing units. Secondly, to meet with DOB to proceed with the proper zoning and code compliant solution to continue development on this site. The Board will continue to assist ongoing negotiations with HPD and DOB.

The Board is pleased with the great efforts that the City Council Speaker and the Mayor's office have dedicated to arrive at a solution to reconcile development of new hotel use to proceed while still preserving and creating the permanently affordable housing units that would continue to meet the needs of the existing community. MCB4 looks forward to meeting with city agencies to implement changes that will allow this and other demolition sites in our district proceed with construction.

Sincerely,

**Burt Lazarin** 

Chair

Manhattan Community Board 4

Jean-Daniel Noland

Chair

Clinton/Hell's Kitchen Land Use Committee

Cc: Hon. Jerry Nadler, U.S. Congress

Hon. Brad Hoylman, New York State Senate

Hon. Gale A. Brewer, Manhattan Borough President

Hon. Richard Gottfried, New York State Assembly

Hon. Linda Rosenthal, New York State Assembly

Hon. Corey Johnson, Speaker, New York City Council

Hon. Helen Rosenthal, City Council

George Frangoulis, Representative for Owner