



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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Burt Lazarin
Chair

Jesse Bodine
District Manager

March 14, 2018

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

Re: Affordable Housing Lotteries for 605 West 42nd Street and 555 Tenth Avenue

Dear Commissioner Torres-Springer,

Manhattan Community Board 4 (MCB4) is deeply concerned about your agency's oversight to follow New York City Zoning Regulation requiring a 45-day comment period following a change in the Inclusionary Housing Plan for two developments in our District, 605 West 42nd Street and 555 Tenth Avenue. While the outcome for at least 605 West 42nd Street resulted in more affordable units and higher AMI income bands, we have lost the permanent affordability, which is vital to maintaining diversity in our neighborhoods. MCB4 was also not alerted to the new marketing period which means our community did not have adequate notification of the lotteries for these affordable units. MCB4 has been successful over the past few decades working with developers and the City to bring the maximum amount of affordable units possible to our District. We have also advocated and achieved in many cases wider AMI income bands and championed "no-stigma" affordable units by insisting on equal amenities for market rate and affordable units.

MCB4 would like to have an opportunity to meet with HPD regarding this oversight. We would like to work with your agency to devise some measures to enhance communication and outreach to ensure that going forward the community is properly informed of changes in projects in our District and most importantly, we do not lose the hard fought for permanency of affordable units already agreed upon by the developers.

Background:

On June 21, 2013, MCB4 approved resolutions regarding two Voluntary Inclusionary Developments in our District. The two resolutions, which are attached called for permanently affordable units from these projects. The permanent affordability was agreed upon by the applicants and stipulated by City Planning and HPD. The details of the housing programs of these two projects are below.

MCB4 learned that both these projects pursued newly available financing structures which required a recalculation of the number of affordable units as well as the required income bands. MCB4 was informed by one of the developers that HPD determined that only the new income bands were to be marketed. The lotteries for these additional units were opened and completed without any notification given to our community board.

Zoning Regulation of the City of New York Article II, Residence District Regulations Chapter 3, Residential Bulk Regulations in Residence Districts, Section 23-961, Additional requirements for rental affordable housing, Part (d) Affordable housing plan and MIH application specifies:

(3) A copy of any proposed affordable housing plan shall be delivered to the affected Community Board, which may review such proposal and submit comments to HPD. HPD shall not approve a proposed affordable housing plan# until the earlier of:

(i) the date that the affected Community Board submits comments regarding such proposal to HPD or informs HPD that such Community Board has no comments; or

(ii) 45 days from the date that such proposal was submitted to the affected Community Board.

605 West 42nd Street

The Project is an 80/20 rental building financed with both taxable and tax-exempt bonds from the New York State Housing Finance Agency. Additional equity is provided via Brownfield Tax Credits and Low-Income Housing Tax Credits. The 80/20 Program requires that 20% of the apartments, 238 units, be affordable to low income individuals and families. Those same 20% low income units are made permanently affordable through a deed restriction under the New York City Inclusionary Housing Program. The Application, submitted to the New York City Department of Housing Preservation and Development (HPD) by the Applicant will govern the 238 apartments which will be created under the Inclusionary Housing program and made available to those at or below 60% of Area Median Income (AMI). The Applicant has stated they will enter into a deed restriction with HPD that requires 202 units to be available to families and individuals at up to 50% of AMI and the remaining 36 units to be available to families and individuals at up to 40% of AMI.

555 Tenth Avenue

The Project is an 80/20 rental building financed with tax-exempt bonds from the New York State Housing Finance Agency and a 421(a) Tax Exemption. The 80/20 Program requires that 20% of the apartments, 120 units, be affordable to low income individuals and families. Those same 20% low income units are made permanently affordable through a deed restriction under the New York City Inclusionary Housing Program. The Application, submitted to the New York City Department of HPD by the Applicant will govern the 120 apartments which will be created under the Inclusionary Housing program and made available to those at or below 60% of AMI. To qualify for the new 421-a program the applicant had to adjust the AMIs of 60 of the existing units down to 40% AMI and add another 30 units at 120% AMI. The lottery process for these amended and new units was initiated in summer of 2017.

With the Affordable New York Housing Program having been enacted, replacing the previous 421-A program, more projects may restructure their financing which will lead to alterations of the original projects. Our community wants to see that alterations to previously approved projects provide improvement of the affordability offerings where possible.

MCB4 has been a great partner to City Planning and HPD to bring about the projects this Administration has campaigned on. MCB4 is committed to continue to advocate for as much affordable housing as is economically feasible in any project within our boundaries. Our success to that end is predicated on the reliable and solid partnership with HPD. This should be possible even in the face of personnel changes within your agency.

MCB4 looks forward to meeting with you and your staff in the near future to continue and improve upon our partnership.

Sincerely,



Burt Lizarin
MCB4 Chair



[signed 2/14/18]
Barbara Davis, Co-Chair
Housing, Health &
Human Services Committee
Committee

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