

#### CITY OF NEW YORK

#### MANHATTAN COMMUNITY BOARD FOUR

330 West 42<sup>nd</sup> Street, 26<sup>th</sup> floor New York, NY 10036 tel: 212-736-4536 fax: 212-947-9512 www.nyc.gov/mcb4

BURT LAZARIN Chair

**JESSE R. BODINE**District Manager

July 30, 2019

Louise Carroll Commissioner Dept. of Housing Preservation and Development 100 Gold Street New York, NY 10007

> Re: 606 West 30<sup>th</sup> Street Inclusionary Housing Plan

Dear Commissioner Carroll,

The Inclusionary Housing Plan Application (the "Application") by West 30<sup>th</sup> Street LLC, or Lalezarian, (the "Applicant") for the development of 606 West 30<sup>th</sup> Street (the "Project") was discussed at the July 15<sup>th</sup>, 2019 meeting of Manhattan Community Board 4 (MCB4)'s Housing Health and Human Services Committee. By vote of 35 in favor, 0 opposed, 0 abstaining, and 0 present but not eligible to vote, MCB4 voted to recommend <u>approval</u> of the Application, <u>with</u> conditions.

## **Background**

Block 675 Rezoning

Block 675 lies in the northwest corner of Chelsea, bounded by West 29<sup>th</sup> and 30<sup>th</sup> Streets and Eleventh and Twelfth Avenues. Over the years, proposals for Block 675 have evolved from a park with an underground Department of Sanitation facility to being a gateway for an Olympic/Jets stadium to a coveted development site adjacent to the Hudson River, the High Line and the Western Rail Yards.

In 2013 CB4 prepared a study<sup>1</sup> of Block 675 and the five blocks to the south, recommending to the Department of City Planning (DCP) that these blocks be studied for inclusion in an expanded Special West Chelsea District (SWCD). We specifically recommended that Block 675 be rezoned from M1-6 and M2-3 to C6-4 with building height and bulk regulations similar to those in SWCD Subarea A.

Later in 2013, DCP released a study<sup>2</sup> recommending that a planning framework to guide zoning decisions should be prepared for Block 675 when future uses were clearer. In 2017, the City Planning Commission (CPC) approved a Planning Framework<sup>3</sup> for Block 675 that recommended C-6 districts with an "appropriate massing response to a transitioning context." The Framework also recommended "active uses on frontages facing the High Line and transparency at and above the High Line level."

The western end of Block 675 is the site of the proposed Gateway Tunnel project. Preliminary plans call for part of the western portion of the Applicant's proposed development site to be used for staging during tunnel construction. Both the timing and the extent of the tunnel project's staging needs are currently unknown.

# Final Project Proposal: An Overview

# 2017 Proposed Project

The original Application, certified on November 27, 2017, proposed a mixed-use building on Block 675 Lot 39. The development site is on the south side of the street between Eleventh and Twelfth Avenues and faces the High Line. The Applicant's 2017 proposal included three commercial/retail stories and 33 residential stories with approximately 218 dwelling units, with 55 as Inclusionary units. MCB4 recommended denial of the Application unless certain conditions were met, as stated in the February 5, 2018 letter. During their presentation to the CLU committee, the applicant informally indicated that they were attempting to purchase the adjacent parcel, Lot 38 and hoped to include it in amended applications. The applicant reached an agreement to purchase Lot 38 and accordingly submitted amended applications.

As a response to the recommendations made by MCB4 during the ULURP process, the Applicant made several project commitments, including matters on Inclusionary Housing. The Applicant's June 18, 2018 letter to the Speaker of the City Council outlines those commitments. <sup>5</sup>

### 2019 Proposed Project

The revised proposed project is a 518 foot tall, 42 story, 207,320 square foot mixed use building at 606 West 30th Street, Block 675 Lot 39. The site will be rezoned from the current M2-3 to

<sup>&</sup>lt;sup>1</sup> MCB4 February 2013 Study for the Expansion of the SWCD

<sup>&</sup>lt;sup>2</sup> DCP June 2013 Study for the potential expansion of the SWCD

<sup>&</sup>lt;sup>3</sup> DCP May 2017 Block 675 Planning Framework

<sup>&</sup>lt;sup>4</sup> Letter from the Chelsea Land Use Committee, February 5th, 2018

<sup>&</sup>lt;sup>5</sup> Attachment A: Lalezarian Properties LLC June 18, 2018 Commitment Letter

C6-4X, increasing the Floor Area Ratio (FAR) from two to ten. The applicant will purchase an additional two FAR, 29,625 sf of floor area, at \$323.04/sf, totaling \$9,570,000, from the Hudson River Park Trust pursuant to ZR 89-00 et seq.

The revised proposed project is a building with four commercial/retail stories and 36 residential stories with approximately 277 dwelling units. 70 of these units will be affordable pursuant to the Mandatory Inclusionary Housing Option 1.

## **Inclusionary Housing - Proposed**

# **Affordability Bands**

The Project is mapped within a Mandatory Inclusionary Housing (MIH) designated area and subject to its requirements. That program has multiple affordability options with different requirements regarding income.

The Applicant has chosen Option #1 for their revised proposed project which requires 25% of the total residential floor area be devoted to affordable housing. This selection remains unchanged from the 2017 proposal. The income eligibility bands chosen by the Applicant for Option #1 are as follows:

<b>Family Size</b>	1-person	2-person	3-person	4-person
40% AMI <sup>6</sup>	\$ 29,880	\$ 34,160	38,440	\$ 42,680
60% AMI	\$ 44,820	\$ 51,240	\$57,660	\$64,020
100% AMI	\$ 97,110	\$ 111,020	\$ 124,930	\$ 138,710

### Affordability Distribution

The 2017 proposal by the Applicant included 162 market rate apartments with 55 permanently affordable housing units. Of the 55 Inclusionary apartments, 44 were distributed for low-income units at 40% and 60% AMI. 11 moderate-income units were at an affordability level of 100%.

The revised proposed project includes 206 market rate apartments and 70 permanently affordable housing units. We thank the developer for their commitment to increasing the number of permanently affordable housing units.

Of the 70 Inclusionary units, 56 are distributed for low-income units at 40% and 60% AMI. 14 moderate-income units will be at an affordability level of 100% AMI. The breakdown of the Project's affordable units is as below.

### **Distribution of Units by Income Band**

<sup>&</sup>lt;sup>6</sup> AMI: Area Median Income. Based on the <u>2019 New York City AMI.</u>

<b>Income Band</b>	% of Units	<b>Unit Count</b>
40% AMI	10%	31
60% AMI	10%	25
100% AMI	5%	14
-	T. 4 . 1	70

Total 70

The Board supports the increased number of affordable units and the affordability band distribution.

### Apartment Distribution—by Floor

The Applicant's 2017 proposal entailed the distribution of Inclusionary apartments throughout 70% of the building. During the ULURP process, MCB4 requested the increase of this distribution rate to 80%, exceeding the 65% requirement of the MIH program.

The revised proposed project entails a distribution of the 70 Inclusionary apartments throughout 80% of the building. The affordable units will be located on floors 5 through 34 of the building's 36 residential floors. MCB4 has always advocated for an equitable distribution of affordable units in Inclusionary Housing developments and we thank the developer for committing to increase the distribution rate.

The Board supports the increased floor distribution percentage.

## Apartment Distribution—by Apartment Size

The Applicant's original 2017 proposal includes 55 Inclusionary apartments.

The Applicant's revised proposed project is to include 70 Inclusionary apartments that whose sizes will be apportioned as shown in the chart below.

### **Inclusionary Apartment Size Distribution**

Apartment	Number of
Size	Units
Studio	24
1 Bedroom	31
2 Bedroom	15
Total	70

MCB4 notes the Applicant is required by the New York City Housing Preservation and Development (HPD) to make 5% (14 units) of the apartments available to mobility-disabled applicants and 2% (6 units) of the apartments available to vision or hearing impaired applicants.

The Board supports the proposed apartment size distribution.

# **Apartment Finishes**

The Applicant has agreed that all apartment finishes, flooring, tile, plumbing and light fixtures, kitchen cabinets, countertops, and appliances will be the same for affordable and market-rate apartments in their revised proposed project. Washers and dryers will also be installed in all apartments.

The Board supports the proposed apartment finishes being the same in all apartments.

### **Building-wide Amenities**

In response to the Applicant's 2017 proposal, MCB4 recommended that free amenities should be accessible to all residents and that amenities with fees adopt a sliding scale amenity fee such as a reduction of 25% for middle-income tenants and 50% for low-income tenants.

The Applicant's revised proposed project includes:

- A children's playroom—no fee
- Fitness facilities—sliding scale fees
  - o 50% reduction for tenants at 40% and 60% AMI
  - o 25% reduction for tenants at 100% AMI

We thank the developer for committing to the MCB4's recommendations on inclusionary amenities.

# Conclusion

MCB4 is pleased the Applicant has increased the number of affordable units and agreed to the conditions previously made by the Board. The Applicant has shown a willingness to discuss the Board's requests in a thoughtful manner. MCB4 therefore supports this project. This project will be an important addition to West Chelsea and these requests will further MCB4's goal of fostering equitable, quality affordable housing that is economically integrated into our District.

Sincerely,

[Signed 7/30/19] Maria Ortiz, Co-Chair Housing, Health & Human Services Committee

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

<sup>&</sup>lt;sup>7</sup> The Applicants' Inclusionary Housing commitments are noted in Attachment B. – DRAFT – Final signed copy to follow

cc: Hon. Corey Johnson, Speaker, City Council

Hon. Helen Rosenthal, City Council Hon. Jerry Nadler, U.S. Congress

Hon. Brad Hoylman, New York State Senator

Hon. Richard Gottfried, New York State Assembly

Patricia Zafiriadas, Associate Commissioner, Housing Incentives, HPD

Molly Park, Deputy Comm. Development, HPD