



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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

Lowell Kern
Chair

Jesse Bodine
District Manager

February 27, 2020

Max Kaufman
Joined Management
127 Hazel Street
Clifton, NJ 07011
New York, NY 10001

**Re: 354 West 56th Street (“The Lisa”)
Proposed Cure for Harassment & SRO Preservation with Section 8**

Dear Mr. Kaufman,

On January 22nd, 2020, Joined Development (the Developer) presented to Manhattan Community Board 4 (MCB4) Health, Housing and Human Service committee (HHHS) regarding a proposed Cure for Harassment and SRO preservation project (The Proposed Project) at 354 West 56th Street. Joined Development proposes to renovate the building as an 100% affordable building, a component of which is a Cure for Harassment (the Cure). The building will be ADA compliant. By a vote of 34 in favor, 0 opposed, 0 abstaining, and 0 present but not eligible to vote, MCB4 voted to support the redevelopment with conditions including 100% permanent affordability, ADA accessibility, façade and entryway restoration, subject to ongoing discussions between the Developer, the Board, and tenants.

Background

354 West 56th Street is an 1880s old law tenement near the corner of 56th Street and 9th Avenue in the Special Clinton Zoning District (SCD). This tenement was converted to an SRO in the 1920s with 77 SRO rooms. The owner of the building, 354 West 56th Street Inc., is a long-term, owner.

In 2015, DOB issued permits for minor alterations for the building. The owner illegally demolished all vacant SRO rooms, except for those that were occupied, to convert the SROs into a market rate building. The owner began legal proceedings against many existing tenants. Many tenants left the building, with those that stayed living through illegal construction. Department of Buildings (DOB) issued a Stop Work Order (SWO) in 2016.¹ 12 tenants currently remain in the building, and the building is gutted.

¹ [Department of Buildings Stop Work Order](#)

The SCD requires that in order to alter a building, an owner must obtain a Certificate of No Harassment (CONH) from the Department of Housing Preservation and Development (HPD) as a condition of DOB plans approval. After the SWO, the owner sought to legalize the illegal construction by obtaining a CONH. Due to the illegal construction, the owner was denied a CONH. As required by the Special Clinton District, an owner must cure harassment in a building by allocating 28% of the total residential floor area for permanently affordable housing. In response, the owner sought to sell the building.

Project Development

In December 2018, Joined Development was brought to the 354 West 56th Street by a real estate broker. The Developer then applied and was awarded project-based Section 8 through HPD. After negotiations, the Developer signed a contract in April 2019 with the owner to acquire the building. During the development process, HPD first informed the Developer that the Cure requirement could be waived. After receiving financing commitments of March 2019, the Developer was ready to close in September of 2019.

HPD then changed its position and required stating that the Developer would have to meet the Cure requirement. A component of the Cure process includes notification and review by the local community board about the project.² HPD told the Developer not to reach out to MCB4 directly, and that HPD would handle the notification. That action is contrary to standard procedure where all developers send Cure and Inclusionary Housing plans directly to the Board for review and comment. Compounding this lack of notice, MCB4 met regularly with HPD in 2019, and the Board was never informed of the Proposed Project.

Joined Development then contacted the Council Speaker's Office in December of 2019 who referred the matter to MCB4. MCB4 leadership met with the Developer in the last week of the 2019. During that meeting, MCB4 requested the building be ADA compliant with an elevator. MCB4 also requested to meet with the tenants and invited the Developer to present its Cure plan to the public at the January 2020 HHHS committee meeting.

Joined Development presented on the Proposed Project at the January 22nd, 2020 HHHS committee meeting. Building tenants and their attorney from Goddard Riverside SRO Westside Law Project attended the meeting. The tenant attorney noted that tenants had no knowledge of plans to redevelop the building and were only notified of the Proposed Project from the Board's notice. The Developer informed MCB4 and the tenant attorney that it was precluded from speaking to tenants under contract from current owner of 354 West 56th Street.

During the meeting, the tenant attorney also informed MCB4 of previous efforts and negotiations with the owner regarding a settlement in the building. Housing Conservation Coordinators (HCC) was involved in tenant advocacy in the building for many years. In the fall of 2015, tenants also sought help from Goddard Riverside SRO Westside Law Project in response to the owner's legal proceedings. A settlement was negotiated and nearly reached, but then owner stopped communication.

² Cure plan review is managed under the Inclusionary Housing review process which included community board notification and review.

The Proposed Project

Joined Development proposes to renovate 354 West 56th Street to meet the Cure requirements, with the balance of the building as 100% affordable housing. The total number of SRO units in the building will be reduced from 77 to 68 to accommodate the installation of an elevator.

The proposed project unit mix includes:

- **12** permanently affordable Cure for Harassment units (28% of total residential floor area) at current rents for life
- **43** SRO rooms for the general population
- **13** units for formerly homeless (20% of total units)

Total: **68** renovated SRO rooms, **all** of which are at 50% AMI with project-based Section 8

The Developer will enter into a 40-year HPD regulatory agreement for affordability. Amenities will include a laundry room, a front desk, and an onsite super. All utilities will be included, as well as high speed internet access.

Conclusion

Despite the outlined issues with the Proposed Project's development, MCB4 supports maintaining and creating permanently affordable housing and the fulfillment of the Cure requirement at 354 West 56th Street. MCB4 supports the proposal, pending the discussions and resolution with MCB4, the tenants, the tenant attorney, Councilmember staff, and Joined Development, *subject to conditions of long-term tenants*.

With those tenant matters resolved, MCB4 supports this development under to following conditions:

- 12 Cure for Harassment units be permanently affordable as required by the SCD.
- 56 affordable units become permanently affordable,³ with an Article XI tax exemption under a regulatory agreement with HPD, voluntarily entered into by the Developer
- Create ADA accessibility with the installation of an elevator, bringing the entrance to grade for accessibility
- Install at least one ADA accessible bathroom per floor
- Restore the façade, including the door surround with original entryway columns
- Move the laundry room to the ground floor instead of the basement
- Install a common kitchenette on every floor
- Adjust SRO room dimensions where possible for a more equitable room size
- Joined Development to work with the Board and the community to find temporary relocation during construction for existing tenants

³ Current agreement calls for forty-year affordability period.

The Board requests that HPD work with all parties including the Developer, the tenants, and MCB4 to ensure that going forward, concerns of tenants and MCB4 are taken into account.

Sincerely,



Lowell Kern
Chair



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

[signed 2/27/2020]

Maria Ortiz
Co-Chair Housing, Health & Human

CC:

354 West 56th Street Tenants

Dan Evans, Goddard Riverside SRO Westside Law Project

West 55th Street Block Association

West 51st Street Block Association

Hon. Corey Johnson, City Council

Hon. Helen Rosenthal, City Council

Hon. Gale A. Brewer, Manhattan Borough President

Hon. Brad Hoylman, State Senate

Hon. Richard Gottfried, State Assembly

Kim Darga, Associate Commissioner, NYC Department of Housing Preservation and
Development