



CITY OF NEW YORK
MANHATTAN COMMUNITY BOARD FOUR

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LOWELL D. KERN
Chair

JESSE R. BODINE
District Manager

August 6, 2021

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

Re: 278 Eighth Avenue PFASH Project

Dear Commissioner Carroll,

At its regularly scheduled full Board meeting on April 7, 2021, Manhattan Community Board 4 (MCB4), voted 38 in favor, 1 opposed, 0 abstaining and 0 present but not eligible to vote to support the 278 Eighth Ave Privately Financed Affordable Senior Housing (PFASH) Application/Affordable Independent Residences for Seniors (AIRS).

278 Eighth Realty LLC and 23rd Eighth Associates LLC (collectively the "Applicant") filed a Privately Financed Affordable Senior Housing Application (Affordable Independent Residences for Seniors) with the New York City Department of Housing Preservation and Development (HPD) on January 27th, 2021. The project will provide 44 PFASH permanently affordable senior apartments. The Inclusionary Housing Program administers the Privately Financed Affordable Senior Housing program to facilitate Affordable Independent Residences for Seniors in privately financed developments throughout the City. Under the NYC Zoning Resolution, the 2016 Zoning for Quality and Affordability amendments were passed. A provision of that amendment created a bonus for the creation of affordable housing for senior citizen households. Programs administered by the Inclusionary Housing Program require that the development team notify the affected community board, which have 45 days of public comment.

On March 18th, 2021 at MCB4's Housing, Health, and Human Services Committee meeting, members were briefed on the 278 Eighth Avenue development proposal by the Applicant and the architect, FXCollaborative Architects LLP. JJ Operating Inc. will act as the underlying developer on this project and Seiden & Schein PC has been retained as counsel to Ownership.

Background

Privately Financed Affordable Senior Housing (PFASH) Program

In 2016, the City Council approved the zoning amendments referred to as Zoning for Quality and Affordability (ZQA) which included a number of reforms aimed at incentivizing the development of affordable housing, especially senior housing, reducing parking requirements for affordable housing, and increasing density in certain residential developments. At the time the zoning amendments were proposed, the Department of City Planning emphasized the growing senior population in New York, and the need to respond with incentives for senior housing. One of ZQA's key provisions was the creation of a 20% floor area bonus applicable in most zoning districts to encourage the development of affordable housing for seniors. Referred to as Affordable Independent Residences for Seniors, the zoning provision was written to facilitate both not-for-profit and privately financed senior housing meeting the Area Median Income (AMI) and other requirements. HPD administers the AIRS zoning provision as the Privately Financed Affordable Senior Housing program, known as PFASH. Since the adoption of the zoning text, HPD has reviewed and approved several such senior housing developments.

Project Elements

Proposed Project

278 Eighth Avenue (the "Project") will be a newly constructed 14-story residential building with a main entrance on West 24th Street, with 180 units, including 44 permanently affordable PFASH Units, and a ground floor commercial space. The Project includes approximately 215,000 gross square feet of floor area includes 4 condominium units, residential market, residential affordable, and two commercial units.

Site & Zoning

- Development Site is located on the east side of 8th Avenue between 23rd and 24th Streets, on Block 773, Lot 1 on the Tax Map of the City of New York (the "Site")
- The Project Site has an approximate lot area of 19,750 square foot parcel of land
- The Project Site is zoned C2-7A (R9A equivalent)
- The PFASH zoning bonus will increase the allowable bulk from 7.52 to 8.5 FAR

Below is the floor area summary chart.

	Gross Floor Area	Zoning Floor Area	Residential Rentable Area	% of Residential Rentable Area
Residential	180,857	149,688		
PFASH Units			30,148	22.5%
Market Units			103,905	77.5%
Commercial	33,061	15,399		100%
Total	213,918	165,087	134,053	

Affordable Housing Plan

The Applicant has proposed a PFASH project to HPD and will enter into a regulatory agreement¹ with HPD, recorded against the property and will be binding on all subsequent owners. The owner will also enter into an Administering Agent agreement for initial rent up of units and subsequent re-rentals for the affordable units.

The Applicant will provide 44 permanently affordable apartments for senior-citizen households earning at 40, 60 and 80% of AMI (the “PFASH Units”). The PFASH Units will consist of 11 studios, 22 one-bedrooms, and 11 two-bedrooms.

Proposed Project Unit Summary

Unit Size	PFASH Units	Market Units	Total Units
Studio	11	33	44
One-bedroom	22	65	87
Two-bedroom	11	34	45
Three-bedroom	0	4	4
Total	44	136	180

2020 Area Median Income (AMI) Band Distribution

AMI Tier	Family of one	Family of Two	Family of Three	Family of Four
40% AMI	\$31,840	\$36,400	\$40,960	\$45,480
60% AMI	\$47,760	\$54,600	\$61,440	\$68,220
80% AMI	\$63,680	\$72,800	\$81,920	\$90,960

2020 New York City Area Affordable Monthly Rents

Unit Size	40% AMI	60% AMI	80% AMI
Studio	\$567	\$909	\$1,250
One-bedroom	\$717	\$1,143	\$1,570
Two-bedroom	\$854	\$1,366	\$1,878

- *Affordable Apartment Distribution*

The PFASH Units are distributed on floors 2-8 and the market rate units are on floors 2-14. The Applicant stated that the affordable apartments are located at all exposures of the building.

¹ [Privately Financed Affordable Senior Housing Program Term Sheet, Department of Housing Preservation and Development \(HPD\), Office of Development, Division of Inclusionary Housing \(updated 7/18/2019\)](#)

- *Eligible Tenants*
Households with an income at 40,60, 80% of AMI, and that include at least one person who is 62 years of age or older, are eligible to apply for the PFASH Units. At all times, at least 90% of all PFASH Units in the project must be occupied by at least one person who is 62 years of age or older.

Marketing & Outreach

The PFASH Units will be rented through the HPD Housing Connect lottery, with a 50% community preference for residents of MCD4. The Applicant will host two education sessions on how to apply for the lottery in MCD4.

The Applicant shared that lease-up is anticipated to start 18 months after construction starts.

Building Design

- *Building Height*
Although the AIRS zoning allows the development to increase in height from 145 to 175 feet, the proposed project will increase the height from 145 to 165 feet. Apartment ceiling heights of 9 feet will be higher than normal.
- *Façade*
The building façade is predominately brick, varying from a light to medium grey color, with metal trim.
- *Exterior Lighting*
The project will comply with Dark Sky requirements, with only light at the ground floor commercial level.
- *Design & Construction Requirements*
The project will accommodate households' ability to age in place. Each PFASH Unit and all common spaces will meet Uniform Federal Accessibility Standards (UFAS) accessibility requirements for both mobility impairment and hearing- or vision-impairment.
- *Apartment Finishes & Appliances*
The project's apartment finishes will be the same between market rate and affordable units, each unit will have a washer and dryer.
- *Amenities*
The amenities will include a bike room and indoor community/recreation room, and possibly a gym. The gym amenity is yet to be exactly determined. If there is a gym, PFASH tenants will receive a 50% discount.
- *Outdoor Space*
The second-floor outdoor space is a common area for all tenants. Some affordable units will have private terraces.

Financing & Real Estate Tax Exemption

The project will be privately financed with a loan and private equity and will receive a 421-a real estate tax exemption.

HHHS Committee Deliberation

Community Concerns & Requests

Affordable Apartment Distribution

There was an extensive discussion among members of the Committee and the public regarding the affordable apartment distribution, as currently presented by the Applicant. The proposed PFASH apartments are currently distributed on floors 2-8. While the Applicant stated the PFASH apartments are located at all exposures, in fact, the majority are facing east onto a small courtyard and clustered together, instead of being distributed throughout the floors.

While the Board understands that there are no specific regulatory guidelines for apartment distribution with the PFASH program, as there are for Voluntary and Mandatory Inclusionary Housing programs. The Board requests that the units be better distributed throughout the floors, and not concentrated in the east side facing the courtyard. The site to the east of the courtyard is zoned R8A with 2-6 story buildings and will most likely be subject to future development with an 8-12 story building, which would compromise future light and air for the PFASH units.

Marketing & Outreach Plan

In addition to the two education sessions on how to apply for the lottery in MCD4, the Applicant also agreed to do further outreach with participation from MCB4, Penn South Co-Op, the Council of Chelsea Block Associations, and the Chelsea NYCHA Tenant Associations. The community requested that outreach sessions also include clarification on what members constitute a senior citizen household during those outreach sessions.

Building Design

- *Building Height*
Some members of the public raised concern regarding the height increase from 145 to 165 feet. However, it was noted that this increase is a direct result of the AIRS zoning adopted in 2016. Further, the building is at an intersection of a wide street and an avenue.
- *Apartment Finishes*
There was a discussion on what constituted the apartment finishes, and the Board stated it would provide the developer with a list of finishes to be included in a commitment letter to the board.
- *Amenities*
The Committee discussed accessibility and affordability of the amenities. All

amenities will be accessible to all tenants, both market and affordable. The Applicant stated that if there is a gym, PFASH Unit tenants will have a 50% reduced fee.

- *Street Trees*
While some street trees will be able to be planted on West 23rd and West 24th Streets, trees cannot be planted on 8th Avenue due to the 8th Avenue subway. The Applicant agreed to seek revocable consent from the NYC Department of Transportation for the placement of planters between West 23rd and West 24th Streets on 8th Avenue, in order to provide greening to the avenue.
- *Public Art*
Members of the public discussed the possibility of integrating the salvaged mural in the new housing. The mural was originally in the Greenwich Savings Bank's 14th Street Office branch. It shows scenes at the end of the 1800's at the intersection of West 14th Street and Sixth Avenue. The mural was removed and stored in an archival-safe space in Chelsea Market. Jamestown and Google are very eager that a permanent home be found for the mural. Applicant agreed to look at it further and determine if it is possible to integrate that mural into this project.

Building Operations

The Committee discussed the difficulty of trash removal and management in large residential buildings without off street garbage storage. The Applicant confirmed that trash will be removed at a separate entrance on 8th Avenue, and that there will be adequate trash storage in the cellar.

Construction

- *Demolition*
The Applicant stated that the demolition of the existing building will take six months. During demolition, the Applicant will protect the subway entrances and communicate to MCB4 and the public if the MTA bus stop will be temporarily relocated.

The Applicant also confirmed that they will be leaving the existing building's below-ground foundation walls in place in order to minimize the need for structural underpinnings of the adjacent structures.

- *Construction Period*
The Applicant stated that the construction of the proposed building is expected to take a total of approximately 30 months.
- *Construction Effects*
The Committee requested the Applicant to work with the MCB4 District Manager during the demolition and construction period, to provide two-week construction lookahead reports. Those lookahead reports will be shared with both Penn South

Co-Op and Council of Chelsea Block Associations, so adjacent residents can remain informed. MCB4 will follow up with the Applicant with a list of organizations to be notified.

HPD Discontinuation of the PFASH Program

The Applicant informed the Board that the PFASH program will be discontinued after June 30th, 2021. Both the public and the Committee did not agree with this discontinuance, especially in consideration that the AIRS zoning remains in effect. The matter of the future of the PFASH program and the AIRS zoning will be referred to both the Clinton / Hell's Kitchen and Chelsea Land Use Committees for discussion in 2021.

Conclusion

Overall, the MCB4 supports the proposed PFASH project, provided that:

1. The Applicant modifies the distribution of the affordable units to be more equitably distributed on all building exposures.
2. The Applicant provide a commitment letter attached², regarding the above matters.

MCB4 looks forward to working with the Applicant to bring this important project to completion.

Sincerely,



Lowell D. Kern
Chair
Manhattan
Community Board 4

Maria Ortiz
Co-Chair
Housing, Health
Human Services Committee

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

cc: Hon. Corey Johnson, Speaker, New York City Council
Hon. Scott Stringer, New York City Comptroller
Hon. Gale A. Brewer, Manhattan Borough President
Hon. Brad Hoylman, New York State Senate
Hon. Richard Gottfried, New York State Assembly

² Letter not yet received