



CITY OF NEW YORK  
**MANHATTAN COMMUNITY BOARD FOUR**

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**LOWELL D. KERN**  
Chair

**JESSE R. BODINE**  
District Manager

November 5, 2021

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

**Re: 550 10<sup>th</sup> Avenue -- Voluntary Inclusionary Housing Application**

Dear Commissioner Carroll,

The Voluntary Inclusionary Housing Plan Application (the "Application") by Gotham, GO Covenant LLC (the "Applicant") for the development of 550 10<sup>th</sup> Ave (the "Project") as a community facility and residential project was discussed at the September 23<sup>rd</sup>, 2021, meeting of Manhattan Community Board 4's (MCB4) Housing Health and Human Services Committee. The Applicant's proposed plan for apartment distribution, AMI bands, apartment finishes and amenities were presented.

At its regularly scheduled full Board meeting on October 6th, 2021, MCB4 voted 43 in favor, 0 opposed, 0 abstaining and 0 present but not eligible to vote to recommend approval of the Application, with conditions.

**Background**

The Project is a mixed-use development with frontage on the east side of 10th Avenue between West 40<sup>th</sup> and West 41<sup>st</sup> Streets. The Current Site ("Site") contains a 90,000 gross square foot building used by Covenant House International (CH) as its main residential and administrative building. The existing building fronting 10<sup>th</sup> Avenue will be demolished. On that site and a portion of the lot to the east, a new residential tower will be built. The Project is located on a 16,000 square foot site in the Special Hudson Yards District. It is approximately 436,000 square feet, including approximately 27,000 square feet of office / community facility space that will serve as Covenant House International's New York City office space, approximately 400,000 square feet of residential space, and approximately 8,865 square feet of retail space (at grade and below) facing 10th Avenue. CH will be provided with a separate entrance to its office space.

The Project contains 453 new residential rental units including 113 Voluntary Inclusionary Housing (“VIH”) units. The residential component complies with the Hudson Yards Special District Inclusionary Housing, Option 2 with 10% of the residential floor area for affordable housing units at 80% AMI or less and 15% of the residential floor area for affordable housing units at 125% AMI or less. Indoor and outdoor residential amenity space is provided at the 8th and 45th floors. Affordable tenants will have access to amenities at a discounted rate.

**Building Program Summary**

Total Gross SF	436,188
CH Office Condo SF	26,764
Retail SF	8,865
Gross Residential SF	400,559
Net Rental SF	304,530

*Covenant House International*

CH provides housing and support services to over 74,000 homeless, runaway, and trafficked teens and young adults across its 31 locations spanning 6 countries. CH New York’s new facility will contain a set of programs including youth shelter housing, administrative office space, event space and provisions for a multitude of services, which will enable CH to expand upon the mission-critical services it provides.

*Gotham Organization*

Gotham is a fifth generation General Contractor and/or Developer with over 108 years of building housing in New York City for working families. The company is currently overseen by David Pickett, the fourth generation. Over the past 100 years, Gotham has built over 40 million square feet of space, including office buildings, hospitals, schools, retail centers and 35,000 apartments. The firm is vertically integrated with development, property management, marketing and accounting divisions, and employs over 100 professionals across various functions.

Gotham has constructed three developments in Manhattan Community District 4, 520 W43rd Street, 400 W55th Street, and 550 W45th Street. All three developments include an affordable housing component. For example, The Nicole (400 West 55<sup>th</sup> Street), comprises of 149 units, 20% of which are affordable, and Gotham West, a 1,250 mixed-income residential unit building between 10<sup>th</sup> and 11<sup>th</sup> Aves and 44<sup>th</sup> and 45<sup>th</sup> Streets.

**HHHS Committee Deliberation**

- *Development Plan*
  - *Affordable Housing Plan*

*Voluntary Inclusionary Housing Apartments*

113 of the 137 proposed affordable apartments are under New York City’s Voluntary Inclusionary Housing<sup>1</sup> program and will be permanently affordable governed under a regulatory agreement recorded against the land. 30% of the Project’s units are income-restricted, with 10% at 70% of AMI and 20% at 125% of AMI.

*Affordable New York Apartments*

To further comply with the New York Tax Abatement, Option F, 24 proposed affordable apartments will be developed, with an affordability restriction of 35 years. The Board requested, and the Developer agreed in a letter dated October 25, 2021, see attached, to make those units permanently affordable. The affordability restriction will be embodied in a revised regulatory agreement for the project and recorded against the property. Both affordable components will have AMI levels lower than required under Hudson Yards Special District VIH Option 2, to also meet the requirements of the New York Tax Abatement, Option F.

MCB4 requested the Applicant clarify unit mix, distribution, and AMI levels. The Applicant responded that there will be a total of 137 units affordable with proposed AMI levels between 70-125%:

**Apartment Area Median Income (AMI) Distribution**

AMI Tier	VIH	Affordable New York	Number of Units
70% AMI	47	--	47
125% AMI	66	24	90
<b>Total</b>	<b>113</b>	<b>24</b>	<b>137</b>

**2021 AMI**

AMI Tier	Family of one	Family of Two	Family of Three	Family of Four
70% AMI	\$58,520	\$66,850	\$75,180	\$83,510
125% AMI	\$104,500	\$119,375	\$134,250	\$149,125

**Rents Based on 2021 AMI**

AMI Tier	Studio	1 Bedroom	2 Bedroom
70% AMI (10% of total units)	\$1,380	\$1,474	\$1,764
125% AMI (20% of total units)	\$2,532	\$2,708	\$3,246

<sup>1</sup> Under the Special Clinton District, VIH is the as-of-right only zoning bonus available, unless otherwise specifically mapped for the Mandatory Inclusionary Housing Program

As evidenced in the 2001-2005 affordable housing negotiations of the Hudson Yards and West Chelsea Rezonings, the Board has long supported creating a community with affordable housing available to a broad range of income bands. The Board seeks a full income mix, to serve low, moderate and middle-income households, instead of housing stratified for only market-rate and the lowest income. Further, the City has memorialized this commitment in the West Chelsea Points of Agreement document executed on June 20, 2005<sup>2</sup>:

*“More diverse range of incomes for affordable housing: of the roughly 900 affordable housing units created through the Inclusionary Housing program and on public sites, over 40% will be targeted toward moderate- and middle-income families.”*

Furthermore, as stated in the NYC Zoning Resolution, 96-00 Special Clinton District Zoning, one guiding principle is to “permit rehabilitation and new construction within the area in character with the existing scale of the community and at rental levels which will not substantially alter the mixture of income groups currently residing in the area...”.<sup>3</sup>

***Thus, the Board supports the proposed AMI distribution.***

- *Apartment Distribution—by Apartment Size*

The Applicant’s proposed apartment distribution is noted in the chart below. Floorplans will be uniform throughout the building.

<b>Apartment Size</b>	<b>Number of Units</b>	<b>Percentage of Total Units</b>
Studio	43	31%
1 Bedroom	58	42%
2 Bedroom	36	26%
Total	137	100%

***The Board supports the proposed apartment size distribution.***

- *Apartment Finishes*

The Applicant has outlined a list of residential finishes for both affordable and market-rate units as shown below.<sup>4</sup>

Proposed September 23, 2021:

	<b>Affordable Units</b>	<b>Market Rate Units</b>

<sup>2</sup> [West Chelsea Points of Agreement, June 20, 2005](#)

<sup>3</sup> [Zoning Resolution 96-00 Special Clinton District](#)

<sup>4</sup> List of residential finishes are sourced from the Developer’s presentation submitted to MCB4.

<b>Floors</b>	Wood-look Luxury Vinyl Tile Planks	Engineered Wood
<b>Kitchen Cabinets</b>	Laminate White upper cabinets and wood-look finish at the lower cabinets	Laminate White upper cabinets and wood-look finish at the lower cabinets
<b>Kitchen Counter and Backsplash</b>	Engineered stone-white countertop Ceramic tile backsplash	Engineered stone-white countertop Mosaic tile backsplash
<b>Refrigerator</b>	Whirlpool Stainless steel	Blomberg panel-ready; Whirlpool Stainless steel finish at some units
<b>Dishwasher</b>	Whirlpool Stainless steel	Blomberg Panel-ready
<b>Microwave</b>	Whirlpool Stainless Steel	Frigidaire Stainless; Blomberg at some units
<b>Washer/Dryer</b>	Bosch	Bosch
<b>Bathroom Floors</b>	Porcelain Tile	Mosaic Tile
<b>Bathroom Walls</b>	Porcelain Tile	Porcelain Tile

There was extensive discussion regarding unequal finishes between affordable and market-rate apartments during the HHHS Committee meeting. Gotham responded in a letter dated September 30, 2021 (copy attached), to those issues raised, and revised the finishes schedule for the building.

	<b>Affordable Units</b>	<b>Market Rate Units</b>
<b>Floors</b>	Engineered Wood	Engineered Wood
<b>Kitchen Cabinets</b>	Laminate White upper cabinets and wood-look finish at the lower cabinets	Laminate White upper cabinets and wood-look finish at the lower cabinets
<b>Kitchen Counter and Backsplash</b>	Engineered stone-white countertop Ceramic tile backsplash	Engineered stone-white countertop Ceramic tile backsplash
<b>Refrigerator</b>	Whirlpool Stainless steel	Blomberg panel-ready; Whirlpool Stainless steel finish at some units
<b>Dishwasher</b>	Whirlpool Stainless steel	Blomberg Panel-ready
<b>Microwave</b>	Whirlpool Stainless Steel	Frigidaire Stainless; Blomberg at some units

<b>Washer/Dryer</b>	Bosch	Bosch
<b>Bathroom Floors</b>	Porcelain Tile	Porcelain Tile
<b>Bathroom Walls</b>	Porcelain Tile	Porcelain Tile

During the meeting, the Committee acknowledged the similarity of stainless-steel surface finishes of appliances in both market and affordable units with some paneled appliances in market units was acceptable.

***The Board supports the revised equal finishes for the affordable and market-rate apartments.***

- *Amenities*

The Applicant presented the following residential amenities plan.

Access to amenity spaces will be open to all tenants and will not be open to the non-resident public, giving residents a sense of place. Access to some spaces will be free to all residents, while access to other spaces will require payment of a single annual fee.

The Applicant clarified in their letters dated, September 30 and October 26, 2021:

- *Fee Structure*
  - An approximate \$1,000 annual access fee to the market rate tenants to the various fee amenity spaces
  - A 25% reduced fee for the middle-income tenants (125% AMI)
  - A 50% reduced fee for the low-income tenants (70% AMI)
- *Amenities & Fees*
  - 4<sup>th</sup> Floor Lounge – no fee
  - 8<sup>th</sup> Floor Fitness Center (Gym) and adjacent South Terrace – fee
  - 8<sup>th</sup> Floor Lounge and adjacent North Terrace with active and passive programming – no fee
  - 45<sup>th</sup> Floor Lounge – fee
  - 45<sup>th</sup> Floor Terrace – fee

***The Board supports the revised amenity fees for the affordable and market-rate apartments.***

- *ADA Accessibility*

The Applicant has represented that the building’s entrances, exits and common areas and apartments will be fully compliant with ADA accessibility guidelines. Furthermore, 32 apartments will be disability-mandated set asides, including 23 Mobility and 9 Audio/Visual (5% for mobility and 2% for audio/visual).

- *Sustainability features*

The Board requested details on the sustainability features of the proposed project. The Applicant proposed the following sustainability features in a follow up letter:

- Centralized, efficient heating and cooling systems, with user-controllable local heat-pump equipment in each unit

- Operable windows providing user-controlled fresh outside air to all residential units
- Efficiently insulated and sealed exterior curtainwall façade panels, and increased insulation at the exterior wall per the NYC Zone Green program.
- Low-VOC materials
- Extensive plantings and green roof areas on exterior terraces
- Green plant materials in indoor common amenity spaces such as the Lobby and the roof-top Lounge

- *Marketing Materials*

The Applicant confirmed that they will share marketing materials with MCB4 after they are reviewed and approved by HPD.

- *The New York Public Library Wall – W40th Street Branch*

The Applicant confirmed that the salvaged remnants of the library wall are in storage currently. At the request of MCB4, the Applicant agrees to meet with Covenant House, Gotham and the Board in two weeks.

- *Trash Removal Plan*

The Applicant expressed their commitment to reducing the time that garbage spends on the sidewalk prior to pick up. The Applicant discussed that retail tenants and the Covenant House community facility will contract with commercial garbage removal services. Residential garbage will be handled by NYC Dept. of Sanitation. Floor plans highlighting the basement compactor, storage, and ground-floor staging areas have also been provided to MCB4. The Applicant also confirmed that their operations staff are charged with and committed to transferring waste to curbside as late as possible prior to each scheduled pickup.

- *Public Art*

The Applicant confirmed that they understand and share MCB4’s support for public art. In a letter to MCB4, the Applicant proposed to develop and maintain a rotating exhibit program for their lobby and amenity spaces, working with curators to select art that is representative and sourced from the New York Arts community. The Applicant noted that they are open to suggestions for collaborators to exhibit select pieces in spaces visible to the public such as the Lobby.

- *Project Schedule*

The Applicant shared the following project schedule with the Committee:

- Demolition (2021-2022)
- Construction (2021-2025)
- Marketing and Leasing (2025-2026)

## **Tenant Legal Disputes—Other Gotham Buildings in MCD4**

### *Gotham in MCD4*

Gotham has developed The Nicole 400 West 55th Street and Gotham West 592-608 11th Ave, 507-553 West 44th Street, 508-558 West 45th Street. Both developments have

affordable and market rent units. The Nicole, developed in 2004, has 149 residential units, of which 30 are affordable. Gotham West, developed in 2013, has 1,238 residential units, of which 600 units of permanently affordable housing units committed in the 2005 Hudson Yards rezoning.

*Utility Credit Dispute*

There has been an ongoing legal dispute regarding application of the utility credit. With little or no notice, tenants at Gotham West and The Nicole had the utility credit removed on their renewal leases. Tenants at both buildings questioned that removal and are currently working with Housing Conservation Coordinators (HCC), a local not-for-profit tenant advocate, to represent them in this matter. The litigation is currently ongoing. During the pendency of that litigation, Gotham agreed to restore the utility credit at Gotham West until a final decision has been made by HCR. MCB4 requests Gotham also to restore the credit at The Nicole until a final decision by HCR.

**Conclusion**

MCB4 is pleased the Applicant has agreed to the conditions requested by the Board, especially the extension of permanent affordability to the 24 Affordable New York units. The Applicant has been responsive to the Community’s requests and MCB4 supports the application as revised. The Board supports the proposed AMI distribution as an example of successfully integrating moderate and middle-income housing into a market-rate development.

This project will be an important addition to Clinton/Hell’s Kitchen community and will further MCB4’s goal of fostering equitable, quality affordable housing that is economically integrated into our District.

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, City Council
- Hon. Scott Stringer, NYC Comptroller
- Hon. Gale A. Brewer, Manhattan Borough President
- Hon. Jumanne Williams, Public Advocate
- Hon. Brad Hoylman, New York State Senate
- Hon. Robert Jackson, New York State Senate
- Hon. Richard Gottfried, New York State Assembly
- Hon. Linda B. Rosenthal, New York State Assembly



Matthew Jupin, Director, Inclusionary Housing Program, NYC Housing  
Preservation & Development

Melinda Garrett, Senior Project Manager & Deputy Director, Inclusionary  
Housing Program, NYC Housing Preservation & Development

October 26, 2021

Joe Restuccia, Co-Chair  
Housing, Health & Human Services Committee of Manhattan Community Board 4  
475 W 57<sup>th</sup> Street, FL 2  
New York, NY 10019

**RE: 550 10th Avenue, New York, NY 10018**

Dear Joe:

Thank you for meeting with us on Thursday, September 29, 2021, and for considering our follow-up letter and plan diagrams sent October 11, 2021 clarifying our as-of-right 453-unit (including 137 Voluntary Inclusionary Housing and Affordable New York units) rental development at 550 10<sup>th</sup> Avenue (the "Project"). We take very seriously your subsequent questions. As a long-time developer in New York and Community Board 4 in particular, Gotham has strived to accommodate the needs of the neighborhoods in which it builds. With that commitment in mind, we have discussed your questions regarding our Project and propose the following solutions:

**Permanently Affordable Housing**


The presentation and plans provided represent 113 VIH homes and 24 AFNY residences. When questioned if all the homes were permanently affordable, I responded in the affirmative during the meeting. While committing to this is not a statutory requirement, we stand behind our word and will request HPD to revise the Regulatory Agreement in drafting for the upcoming closing to commit all of the homes in the project to be permanently affordable.

**45<sup>th</sup> floor South Exterior Amenity Terrace**

During the discussion period following our presentation, there were questions regarding the distinction between free or fee access to amenity spaces. We clarified that the main building amenity lounge and outdoor landscaped terrace on the north side of the 8<sup>th</sup> floor would be available to all tenants free of charge. Subsequently, in our letter of October 11 and the attached plan diagrams, we clarified that the 45<sup>th</sup> floor South Exterior Amenity Terrace will be available to all tenants who pay a fee for use including the income-based residences who may obtain access at a discounted rate. This space is attached to and inseparable from the adjacent lounge. Consistent with our other buildings in the area, this fee will be discounted for affordable unit tenants. Per our letter, the exact amount of the fee will be finalized as we get closer to lease up of the building, but we currently expect to charge around \$1,000 annually for access to the various fee amenity spaces. We propose to reduce the fee by 25% for the middle-income tenants and 50% for the low-income tenants.

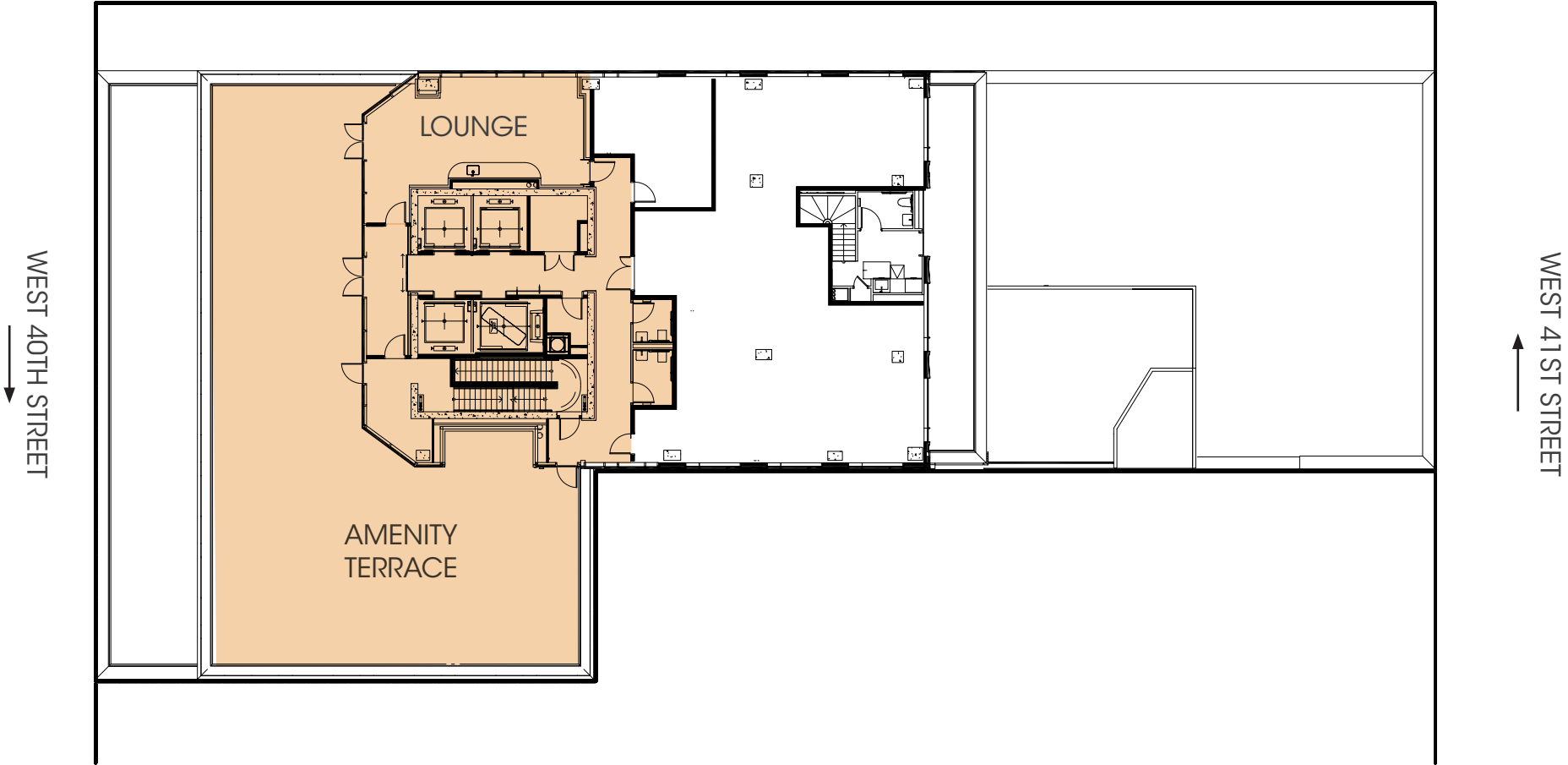
Again, we appreciate your feedback in relation to our Project. We have endeavored to keep the values and concerns of the community front of mind when designing and programming the building, and we aim to deliver a building neighborhood constituents will be proud of.

Sincerely,

  
Bryan Kelly  
GO Covenant LLC

# Amenity Plan: Floor 45

10TH AVE  
→



 AMENITY FOR WHICH A FEE WILL BE CHARGED

September 30, 2021

Community Board 4  
475 W 57<sup>th</sup> Street, FL 2  
New York, NY 10019

**RE: 550 10th Avenue, New York, NY 10018**

Dear Members of the Housing, Health & Human Services Committee of Manhattan Community Board 4:

Thank you for meeting with us on Thursday, September 29, 2021 and sharing your thoughts about our as-of-right 453-unit (including 137 Voluntary Inclusionary Housing and Affordable New York units) rental development at 550 10<sup>th</sup> Avenue (the “Project”). We take very seriously your questions and concerns. As a long-time developer in New York and Community Board 4 in particular, Gotham has strived to accommodate the needs of the neighborhoods in which it builds. With that commitment in mind, we have discussed your concerns regarding our Project and propose the following solutions:

1. **Distribution of affordable units:** We reviewed the unit mix and distribution with you during the meeting and heard the Committee’s appreciation of the unit mix and distribution. To further clarify the equitable distribution of units, we are providing additional color-coded plans as requested. We confirm the apartment AMI Distribution as follows:

AMI Tier	VIH	Affordable New York	Number of Units
70% AMI	47	--	47
125% AMI	66	24	90
<b>Total</b>	<b>113</b>	<b>24</b>	<b>137</b>

2. **Amenity space access:** Amenity spaces in the building will include the 4<sup>th</sup> floor lounge, the expansive 8<sup>th</sup> floor amenity lounge and adjacent exterior landscaped terrace with active and passive programming, the 8<sup>th</sup> floor fitness center (gym) and adjacent terrace, and the 45<sup>th</sup> floor lounge space and roof deck. Access to amenity spaces will be open to all tenants and will not be open to the non-resident public, giving residents a sense of place. Access to some spaces will be free to all residents, while access to other spaces will require payment of a single annual fee:
  - 4<sup>th</sup> Floor Lounge – no fee
  - 8th floor Fitness Center (Gym) and adjacent South terrace – fee
  - 8<sup>th</sup> floor Lounge and adjacent North terrace – no fee
  - 45<sup>th</sup> floor Lounge – fee
  - 45<sup>th</sup> floor Terrace – fee.

Colored plans of these areas are provided to clarify the locations. The exact amount of the fee will be finalized as we get closer to lease up of the building, but we currently expect to charge around \$1,000 annually for access to the various fee amenity spaces. We propose to reduce the fee by 25% for the middle-income tenants and 50% for the low-income tenants.

3. **Apartment finishes:** As described in our letter to the housing committee and during the meeting, there are a few differences between the finishes in the market rate and affordable units including:
  - Variation in kitchen backsplash tile (mosaic tile in market vs ceramic tile in affordable)
  - Variation in bathroom tile floors (mosaic tile in market vs porcelain tile in affordable)
  - Engineered Wood floors in market vs Wood-look Luxury Vinyl Tile Planks floors in affordable
  - Some differences in appliances (either panel-ready Blomberg or Whirlpool stainless steel in market, Whirlpool stainless steel in affordable).

We propose revising items a) through c) to make them uniform throughout all apartments. Tile backsplashes and floors will be a consistent ceramic or porcelain product, and unit floors will be a consistent engineered wood product. During the meeting, the Committee acknowledged the similarity of stainless steel surface finishes of appliances in both market and affordable units with some paneled appliances in market units was acceptable, and therefore we do not propose to change these.

4. **Trash removal and management plan:** We are committed to reducing the time that garbage spends on the sidewalk prior to pickup. As discussed in the meeting, our retail tenants and the Covenant House office will contract with commercial garbage removal services. Residential garbage will be handled by NYC Dept. of Sanitation. The attached floor plans highlight the basement compactor, storage, and ground-floor staging areas we are providing, and our operations staff are charged with and committed to transferring waste to curbside as late as possible prior to each scheduled pickup.
5. **Sustainability features:** We understand and share your concern for how buildings affect the environment. To contribute to a reduced environmental impact, we have proposed the following:
  - Centralized, efficient heating and cooling systems, with user-controllable local heat-pump equipment in each unit
  - Operable windows providing user-controlled fresh outside air to all residential units
  - Efficiently insulated and sealed exterior curtainwall façade panels, and increased insulation at the exterior wall per the NYC Zone Green program.
  - Low-VOC materials
  - Extensive plantings and green roof areas on exterior terraces
  - Green plant materials in indoor common amenity spaces such as the Lobby and the roof-top Lounge
6. **Art Plan:** We understand and share your support for the Arts and their benefit to people's lives. We propose to develop and maintain a rotating exhibit program for our

# GOTHAM

DEVELOPER OWNER MANAGER

lobby and amenity spaces, working with curators to select art that is representative and sourced from the talented and vibrant New York arts community. We are open to suggestions for collaborators to exhibit select pieces in spaces visible to the public such as the Lobby.

7. **Marketing Plan:** We confirm that Gotham will share marketing materials with CB4 after they are confirmed with HPD.

In summary, we propose the following improvements to the current Project plan:

1. Reduction in amenity fee of 25% for middle-income tenants and 50% for low-income tenants.
2. Provide upgraded finishes to the affordable units commensurate with those in the market rate units.

Again, we appreciate your feedback in relation to our Project. We have endeavored to keep the values and concerns of the community front of mind when designing and programming the building, and we aim to deliver a building neighborhood constituents will be proud of.

Sincerely,



Bryan Kelly  
GO Covenant LLC