



NEW YORK CITY HOUSING AUTHORITY
90 CHURCH STREET • NEW YORK, NY 10007
TEL: (212) 306-3000 • nyc.gov/nycha

LISA BOVA-HIATT
CHIEF EXECUTIVE OFFICER

September 27, 2023

Jeffrey LeFrancois
Chair, Manhattan Community Board 4
424 West 33 Street, Suite #580
New York, NY 10001

Jesse Bodine
District Manager, Manhattan Community Board 4
424 West 33 Street, Suite #580
New York, NY 1001

Re: Manhattan Community Board 4 Information Request for the Planned Redevelopment of the Chelsea NYCHA Campuses

Dear Mr. LeFrancois and Mr. Bodine,

In response to the letter received August 31, 2023 and subsequent conversations with the Manhattan Community Board Chair, the Chelsea Land Use Committee Chair, the Housing, Health and Human Service Committee Chair and the District Manager, please see requested information about the planned redevelopment of the Fulton and Elliott-Chelsea NYCHA developments.

NYCHA and our Permanent Affordability Commitment Together (PACT) partners, Essence Development and Related Companies, understand that the Manhattan Community Board 4 members require information about the proposed project, and especially as it relates to any future ULURP actions. We share the same goals of keeping this process transparent with open dialogue and understand the importance of sharing information with NYCHA residents and the community at large to combat misinformation and to keep the project on track.

We have agreed to attend the community board meeting on September 27th and hope that the information in this letter (and included attachments) provide you with a clear picture of the current status of the proposed redevelopment at Fulton and Elliott-Chelsea. We look forward to working with the Community Board throughout the planning and ULURP process.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Gouveia".

Jonathan Gouveia
Executive Vice President, Real Estate Development
New York City Housing Authority

Reponses to questions shared in 08/21/2023 letter:

Regarding Land Use Actions:

1. What are the specific ULURP actions being proposed?
 - Essence/Related and NYCHA look forward to working with the residents of Fulton and Elliott-Chelsea to finalize site plans and building designs over the coming months. Once the designs are final, the exact zoning actions will be determined. Currently, the following actions are contemplated:
 - Zoning map amendment to zoning districts to be determined that would permit a maximum floor area ratio of between 9.0 and 12.0 and include commercial zoning overlays
 - Large Scale General Development (LSGD) special permit to facilitate the proposed building massings
 - Zoning text amendment to designate the project sites as Mandatory Inclusionary Housing (MIH) areas

2. What is the difference between new construction with proposed rezoning and new construction with current zoning?
 - 2A- For both the proposed rezoning and existing zoning development scenarios we have included as an attachment to this letter two presentations outlining the schematic designs for the campuses. Please see PDF attachments: *'FEC_AOR_230926'* and *'FEC_ULURP_230926'*.
 - The proposed project under the rezoning scenario would involve the rebuilding of all 2,056 apartments and existing buildings across the Project Sites. There are currently 18 buildings across the Project Sites, which will be replaced with 15 new buildings ranging in height from 11 stories (approximately 108.5 feet) to 38 stories (approximately 399.25 feet) with a total of 96 parking spaces on site. The new buildings would include three replacement buildings on the Fulton Project Site and three replacement buildings on the Elliott-Chelsea Project Site to house current NYCHA tenants. Nine additional buildings would include mixed-income housing units.
 - Please provide a table including the current zoning vs proposed rezoning commercial and community square footage:

	Current Zoning	Proposed Rezoning
Community center square footage	178,994	107,665
Commercial square footage	18,693	54,306

- 2B: What is the number of units per proposed rezoning vs current zoning?

	Current Zoning	Proposed Rezoning
NYCHA Units	2,056	2,056
New Market-rate	Up to 1,284	Up to 2,432
New Affordable	Up to 550	Up to 1,042
Total	Up to 3,890	Up to 5,530

- 2C- We do not anticipate the proposed rezoning will triggering items that will cause the project to slow down.
3. We have seen no design plans for the proposed market rate housing. This will be included in the detailed plan.
 - 2A: We do not currently have final design plans. We will continue to design buildings with input from the NYCHA resident design working group. We will submit all final designs in the final ULURP application.
 - 2B-C: Initial apartment layouts were presented to NYCHA residents. Please see included with our letter a copy of the presentation shared with residents in during our engagement. See page 38 of attached PDF '*FEC_Resident Meeting_PPT*'.
 - 2D: Please see attached AOR and ULURP schematic design presentations to see what each campus will look like.
 - 2E-F: We are continuing to work with residents to refine design plans to ensure that new NYCHA buildings and new market-rate and affordable buildings are distributed across the campus in a balanced manner. Design plans will ensure that the campus feels cohesive to build a sense of community across the building types.
 4. Are the proposed zoning changes in context with the neighborhood character?
 - We intend to have the buildings, in the proposed rezoning and in the current zoning plans, related to the context of the surrounding community.
 5. What is the impact of shadows with building heights of 38 stories?
 - This analysis will be completed during the environmental review process.
 6. What is the impact on the adjacent historic district in relation to light, air and shadow?
 - 6A-D: This analysis will be completed during the environmental review process.
 7. What are the climate resilience actions being taken?
 - This analysis will be completed during the environmental review process. Final climate resilience actions will be included in the final project plan.

8. Can you provide a complete timeline for the entire project including market rate housing and phasing?
- The proposed redevelopment plan will be executed in phases -first the NYCHA building replacement phases, and once that entire phase is complete only then will the mixed-income building phases begin. The exact phasing and duration of the proposed development time period is dependent on the successful adoption of a rezoning to increase the allowable residential density via ULURP.
 - The first phase, building the six replacement buildings, has an estimated construction completion date of 2030. Following the completion of the replacement phase, five mixed-income buildings on the Fulton Project Site and four mixed-income buildings on the Elliott-Chelsea Project Site (total of nine new mixed income buildings across both campuses) would be constructed with an estimated completion date of 2040.
 - Phasing for the project is illustrated in the attached '*FEC_ULURP_230926*' PDF but will generally follow the following steps:
 1. Temporarily move Fulton 11 and Chelsea Addition residents and demolish those two NYCHA buildings.
 2. Build two replacement buildings, one on each campus. Move in all residents from Fulton 11, Chelsea Addition, plus some of the Fulton and Chelsea residents (the final number of additional residents to move to the first replacement buildings is to be determined).
 3. Demolish empty buildings and build additional replacement buildings for remainder of Fulton and Elliott-Chelsea residents by 2030.
 4. The last two steps in this process, after all Fulton and Elliott-Chelsea residents move into new buildings, will be to demolish remaining empty NYCHA buildings.
 5. Once the remaining NYCHA buildings are demolished, the building of new mixed-income buildings will start.

Regarding Community Space:

1. What is the plan for Hudson Guild? Are they guaranteed to be reinstated at their current location as the local social service provider? Where will they be housed during reconstruction?
 - Hudson Guild will be temporarily relocated to an offsite retail/commercial space in the west Chelsea district. Their new space in at Chelsea and Fulton will be replaced 1:1 of usable square feet and interiors will be replaced in kind.
2. Can you clarify, in detail, the size, purpose and location of the proposed community spaces?
 - Refer to attachments '*FEC by Building_proposed project_230927*' and '*FEC by Building_current zoning_230927*'. The proposed community spaces will be part of the resident engagement process where residents will have input on what will

be programmed in these spaces.

3. Are you demolishing the basketball court on the Fulton Houses Campus? If so, are you replacing it and where?
 - The basketball court will be relocated within the campus. While the open space plans are still in preliminary design stages, NYCHA and the PACT partner team will work closely with residents at both the Fulton and Elliott-Chelsea campuses over the coming months to fully design and program all community spaces and ensure they meet resident needs and priorities.

Regarding Neighborhood Infrastructure:

1. What is the neighborhood infrastructure needed to accommodate 3,500 new households?
 - This analysis is underway as part of the EIS Community Facilities and Services, Open Space, Water and Sewer Infrastructure, Solid Waste and Sanitation Services chapters.
2. If the EIS triggers the need for a new school, where will it go? And who will build it?
 - This analysis is underway as part of the EIS Community Facilities and Services chapter. Should there be a Significant Adverse Impact to Public Schools, NYCHA/Essence/Related would work with the School Construction Authority to identify the required mitigation measure(s).
3. If the EIS triggers the need for additional emergency services? Where will they go? Who will build them? And what is the timeline for doing so?
 - This analysis is underway as part of the EIS Community Facilities and Services chapter. Should there be a Significant Adverse Impact to emergency services, NYCHA/Essence/Related would work with DOHMH, FDNY, or the NYPD to identify the required mitigation measure(s).

Regarding the Tenant Engagement Process and Tenants Rights:

1. Please share the methodology used in the Tenant Survey.
 - Over a 60-day period beginning in March 2023, Essence and NYCHA held 35 information sessions, canvassed thousands of residents, and mailed informational packets to every apartment within the developments to inform the community of the selection process and the three options up for consideration.
 - Surveys were made available during meetings, tours of similar campuses, flyers were posted, door knocking was conducted, and a copy was distributed to all households.
 - Residents could access the survey in multiple languages, could submit a copy online or complete a paper copy.
 - Any household member listed on the NYCHA lease who was over the age of 18 was eligible to submit a response to the survey.

- The resident survey was the latest component of an unprecedented resident engagement effort underway since 2019.
2. Please provide us with a copy of the information package the residents of Elliott Chelsea and Fulton houses received on their doors.
 - Please see PDF attachment '*Resident Package_May 2023*'. This is a copy of the information packet provided to each household.
 3. What is the percentage of resident lease holders at both campuses?
 - All resident lease holders were notified about the survey, meetings, tours, and contacted to submit a response to the survey.
 4. What is the percentage of resident lease holders of both campuses who were contacted about the survey?
 - Throughout the 60-day engagement period all residents were notified about meetings, invited to join tours, and provided a copy of the survey booklet at their door. Resident leaders also helped conduct 1-1 outreach to neighbors and hosted smaller building-focused buildings to spread awareness.
 5. What is the percentage of resident lease holders of both campuses who responded to the survey?
 - The survey was open to anyone over the age of 18 and on a lease; we did not design the survey based on households.
 - Approximately 30 percent of eligible residents participated in the survey, with approximately 60 percent expressing their preference for brand new buildings.
 6. Why is it necessary to go from Section 9 housing to Section 8 housing? Please outline the specific changes to tenants rights for each.
 - By converting the Fulton, Elliott, and Chelsea developments to Project-Based Section 8, NYCHA and our partners can leverage funding sources that are not available to the federal Section 9 program.
 - After months of conversations and examination, the Chelsea Working Group (which started in 2019) decided to move forward with the PACT program at the Fulton, Elliott, and Chelsea campuses. NYCHA and Working Group members issued an RFP in 2021 to identify a PACT partner to implement the program at these developments.
 - PACT ensures that resident rights and protections are preserved as households transition to the Project-Based Section 8 program. Information about resident rights and protections was discussed thoroughly throughout the Chelsea Working Group process and is outlined in the Chelsea Working Group report. The rights and protections discussed during the Chelsea Working Group process, and documented in the report, will be applied to the residents of the rebuilding project.

- NYCHA and Essence will continue to share information about resident rights and protections under the PACT program throughout engagement and planning.
7. Where are the tenants who are being relocated going specifically? Please provide the building names and addresses.
- Approximately 94% of current Fulton and Elliott-Chelsea residents will only move once, into their new home.
 - Only residents at Chelsea Addition and Fulton 11 will have to temporarily move. The onsite team has been meeting with residents in those two buildings to determine each family's need and preference. Our goal is to accommodate the vast majority of residents within existing vacant units across the Project Sites. The priority is to relocate the residents into vacant units on the campuses, and then in other affordable housing buildings in the nearby area. Once specific addresses are confirmed, we will share.
 - Any resident temporarily moved off-site will have the right to return to a unit that matches their household size at their previous development (Fulton or Elliott-Chelsea).
8. When the tenants are relocated, will they have full and free access to all building amenities?
- The majority of residents will remain in their homes until the new buildings are built. During construction, all residents will continue to have service coordination and access to programs provided by the Hudson Guild.
 - Once NYCHA residents move to their new apartment, they will have full access to all amenities and services provided within the NYCHA replacement buildings.
 - A small number of households (residents of Chelsea Addition and Fulton Building 11) will be required to temporarily move in order to facilitate construction of the first NYCHA replacement buildings. These households will be temporarily moved to vacant homes within the Fulton and Elliott-Chelsea campuses or, with resident approval, privately-owned affordable residential buildings within the surrounding community.
9. Please include a monthly timeline that outlines the relocation process and provide information as to how this was determined.
- We do not currently have a monthly timeline for the relocation process. This information will be provided to all impacted households at a minimum of 90 days before any temporary relocation is required. As said above, the on-site team is already working directly with each household to understand their needs and how to best assist them with the temporary move process.
10. Why are there currently empty units on these NYCHA campuses?
- NYCHA property management holds a percentage of vacant apartment before conversion to facilitate the use of those apartments for temporary moves and as

hospitality suites during the construction process.

11. How are Related and Essence ensuring tenants' rights? And who will the tenants be working with to ensure their rights?
 - The proposed plan for Fulton, Elliott, and Chelsea will utilize HUD's Rental Assistance Demonstration (RAD) program. HUD and NYCHA require Essence/Related to follow regulations in the RAD Notice to protect resident rights.
 - NYCHA includes a number of additional protections for NYCHA residents in their control agreements with all selected PACT partners.
 - The rights and protections discussed during the Chelsea Working Group process, and documented in the report, will be applied to the residents of the rebuilding project.
 - Residents can work with the on-site temporary move coordinator, Housing Opportunities Unlimited (HOU), to get answers to any questions they might have about the Section 8 program and about temporary moves if required for their household.

Budget and Development:

1. Please describe how this project is being funded.
 - All units in the new replacement building will receive Section 8 funding from the federal government, which will allow the new replacement buildings to leverage debt to pay for the construction.
 - In addition to debt, the funding for the replacement buildings is anticipated to be funded by developer equity and additional contributions for the future mixed income development. The anticipated sources of the replacement and future mixed income buildings are preliminary and subject to change.
2. Why did the budget increase so dramatically? Please outline those details.
 - Thorough on-site investigations were conducted by the Essence and Related team over the course of 5 months as part of the pre-development due diligence. Observations from those investigations showed significant deterioration in building plumbing, electrical, gas, and elevator systems, beyond the original estimate.
 - Additionally, these issues meant that adequate repairs would mandate temporary relocation of all residents for safety reasons (lead/asbestos abatement, elevator modernization, gas restoration).
 - At the time of designation, the estimated cost of repairs was \$487 million and after deeper investigation the estimate was updated to \$1.14 billion.
 - The increase in costs associated with comprehensive repairs is in line with a larger trend across all NYCHA developments. NYCHA recently updated our Physical Needs Assessment (PNA) to reflect the growing costs of disinvestment in our buildings and to adjust costs based on current market and inflation rates. Overall, NYCHA PNA increased to over \$78 billion to meet the 20-year needs of our entire portfolio. This represents a 73% increase from the prior 2017 PNA.

3. What is the current status of the proposal? Please provide the current status of the meanwhile plan.
 - NYCHA, Essence and Related are currently preparing for the upcoming environmental review process and ULURP application, both of which require extensive planning, preparation, and collaboration with resident leaders at all developments.
 - Essence and Related are currently meeting with PSA 4 and the 10th police precinct to coordinate on site security services for Chelsea/Elliott and Fulton Houses. The security firm is in the process of interviewing for the posted roles of security concierges.

4. What percentage of the revenue generated from market rate housing goes back to NYCHA?
 - This has not been finalized.

