



CITY OF NEW YORK
MANHATTAN COMMUNITY BOARD FOUR

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JESSICA CHAIT
Chair

JESSE R. BODINE
District Manager

August 1, 2024

Hon. Jerry Nadler
United States Congress
201 Varick, Suite 669
New York, NY 10014

Hon. Tony Simone
New York State Assembly
214 W. 29th Street, Suite 1401
New York, NY 10001

Hon. Letitia James
New York State Attorney General
163 W. 125th Street, Suite 1324
New York, NY 10027

Hon. Brad Hoylman-Sigal
New York State Senate
322 8th Avenue, Suite 1700
New York, NY 10001

Hon. Eric Adams
Mayor
City of New York
City Hall
New York, NY 10007

Hon. Erik Bottcher
New York City Council
224 W. 30th Street, Suite 1206
New York, NY 10001

Hon. Mark Levine
Manhattan Borough President
The David N. Dinkins Municipal Building
1 Centre Street, 19th Floor
New York, NY 10007

Re: Chelsea NYCHA Redevelopment Plan

Dear Elected Officials,

For over a year, Manhattan Community Board 4 (MCB4) has been participating in discussions regarding the development proposals for the Fulton and Elliot Chelsea NYCHA Campuses in Chelsea (FEC). **We are extremely frustrated by the applicants' lack of transparency about the proposals and minimal meaningful analysis.**

MCB4 is seeking your support to hold NYCHA, Essence, and Related Companies (the development team) accountable to provide the public the information for a development proposal that includes full descriptions of possible alternatives based on transparent, robust data about:

- The Interim Repairs plan including data on how this plan has been successful to date
- Financial calculations (renovation vs demolition and reconstruction)
- Construction timeline and construction mitigation plan
- Resident relocation and temporary relocation
- The number of affordable, moderate income and market rate units that will be generated
- Land use impacts on the site and surrounding neighborhood

The Board has been working with all parties, to the best of its ability, to bring transparency to the proposal and ensure community input has a conduit through which it can flow for consideration by the development team, and our elected officials. This is standard practice, given the project is expected to go through the City's Uniform Land Use Review Process; and beyond that, the proposal includes the demolition of public housing.

MCB4 was the first entity to hold a public forum on the proposal after it was announced in *The New York Times* on June 20, 2023. The date of that meeting was Wednesday, July 12, 2023. To date, and with 22 public meetings that included the topic on its formal agenda, very little new information has been shared. And yet, NYCHA is a public agency.

Accordingly, at its full board meeting on Wednesday, July 24, 2024, by a vote of 29 in favor, 4 opposed, 3 abstentions, and 3 present not eligible, MCB4 voted to seek your intervention.

Background

In 2018, NYCHA proposed to demolish two of the Ninth Avenue buildings on the Fulton NYCHA Campus and replace them with larger mixed-income buildings as part of a RAD/PACT proposal. The NYCHA tenant community reacted in opposition, and at the request of our elected officials, the Chelsea NYCHA Working Group was established through the Mayor's Office. In late 2020, after exhaustive meetings and study, that group developed a plan for renovation of the existing buildings and limited infill of new construction for 50% affordable/50 % market rate housing.

The choice by the development team, in consultation with the FEC Tenants Associations, to pursue full demolition and reconstruction proposals on both sites, while dedicating 70% of the remaining NYCHA land to a majority of market rate housing with an affordable component, is a radical departure from the 2021 Chelsea NYCHA RAD/PACT RFP.

MCB4 is aware of the process that was executed by NYCHA in April and May 2023 to conduct a survey, which was initially billed as a vote, to gauge resident opinion on how to proceed with a redevelopment plan.¹ Upon the release of the results to the public in April 2024 and after reviewing the structure of the survey itself, which was not anonymous, even more questions regarding that process remain.

¹ See Exhibit A for survey results and breakdown.

Urgent Need for Interim Repairs

For years, NYCHA tenants have been given a long list of promises of improvements, and yet most remain unmet. As a part of the agreed to PACT/RAD conversion, transition from Section 9 to Project-based Section 8 housing would occur, and the much heralded “Meanwhile Plan” would begin apartment improvements in earnest. Other than security and pest management, we are not aware of any apartment’s promised improvements occurring. It was our understanding that the RAD/PACT partner would be responsible for the interim repairs. We only just recently learned that this is not the case. In fact, 80% of the repairs will still be the responsibility of NYCHA and remain so for the duration of the proposed development project. We find this to be unacceptable. In addition, the “Meanwhile Plan” was only for the demolition/reconstruction options in the tenant survey. The survey stated there would be no interim repairs under the rehabilitation option.

Given the longstanding commitments of significant improvements to the FEC campus, MCB4 is eager to press forward in the interest of the NYCHA residents who, for too long, have been disregarded, misled, and subjected to terrible living conditions. Yet, MCB4’s effort to gain insight and acquire public information around the “Meanwhile Plan” has been incredibly difficult.

Concerns About the Development Proposals

The two Draft Scope of Work alternatives, both of which call for complete demolition and new construction, are based on an unsubstantiated renovation estimate by a private developer with an extraordinary financial interest. MCB4’s concerns were expressed in our comments on the proposed Draft Scope of Work on March 8, 2024. MCB4 will continue to provide comments throughout the environmental review process, as our public role requires. However, the Board remains concerned that the Draft Scope of Work’s two proposed alternatives are based upon the development team’s claim that renovation estimate is of comparable cost to new construction.

Late in 2022, the development team reported that based on its conditions survey of the NYCHA buildings, their repair would cost \$1,144,000,000, or \$566,000 per unit. This cost was nearly two-and-one-half times NYCHA’s estimate from the year before, based on its Physical Needs Assessment, of \$487 million, or \$236,000 per unit. While these numbers may indeed be factual, the information leading to the significant increases in cost has yet to be made public. Nor has the information been independently reviewed to our knowledge.

This matter is especially significant given the atypical relationship between the development team’s and NYCHA’s cost estimates. That cost estimate also formed the basis for the choices put forth in the Chelsea NYCHA tenant survey.

Chelsea NYCHA Working Group

MCB4 requests that a smaller version of the previously constituted working group be convened and include FEC tenant leaders, elected officials, community organizations, the development

team, and members of MCB4's Chelsea Land Use and Housing, Health, and Human Services Committees.

The purpose of this group is to engage with elected officials and the development team to get answers to the questions that have been asked, implement the stipulations at the bottom of this letter into the current development proposals and any new development proposals, allow the public to have further input, and rebuild consensus.

This Working Group should be convened for no more than three months beginning in September 2024 and work concurrently with the ongoing preparation by the development team for the upcoming ULURP public review process. The Working Group will neither delay the requested FEC Interim Repairs nor the project development, but instead focus on securing missing information so the entire Chelsea community and MCB4 can make an informed recommendation on the proposed project at its conclusion.

At the same time, public planning meetings should be held explaining the options and implications of any development proposal to current FEC tenants and neighborhood residents.

Conclusion

It remains unclear when the public will receive answers to the Draft Scope of Work comments that were submitted in April 2024. Unfortunately, with nearly every piece of information that has been requested on this public project from a public agency, obfuscation has been at the forefront of the discussion.

For continued progress on discussion regarding this proposal, and in the interest of the board truly understanding the scope to have any hope of taking a position on this proposal, the following must be prioritized:

- The inclusion of a project budget for extensive interim repairs given the long development and construction timeline that is to be managed by the RAD/PACT partner and not by NYCHA.
- That overall site planning includes consideration for potential renovation in addition to the proposed demolition and reconstruction.
- That all NYCHA units are integrated into all renovated or newly constructed buildings.
- That all proposed buildings consider the surrounding community context with an emphasis on increased bulk not height.
- That management of site planning limits long-term relocation and assures there are no multiple relocations of current NYCHA residents.
- That the current NYCHA residents are rehoused in a priority order before any new market rate tenants take residence.
- That any infill development must be at least 50% affordable housing, with market rate housing as a component only to the extent needed for Chelsea NYCHA redevelopment financing.
- The inclusion of moderate-and middle-income housing in newly constructed buildings.

- The development of a realistic project timeline, including for both demolition and reconstruction and a non-demolition alternative, given that this proposal will be redeveloping a central portion of the Chelsea neighborhood.
- That a thorough construction mitigation plan be developed.
- That on-site Community Based Organizations (CBOs) be invested in and exceptionally well-resourced as a result of any development efforts. This includes an effort to mitigate the impact of construction on the CBO, and that the CBOs should benefit from the development, i.e., more space at no cost.
- That specific and detailed renderings of the exact inventory of apartments where current NYCHA residents live and where they are proposed to be moved to be made public.
- That any proposal includes climate budgeting.

It is unfortunate that this plan has been presented to the public as a fait accompli before there were any public meetings on the matter. Indeed, after a year of continued engagement, there does not appear to be a capable agency to lead the residents and public forward, regardless of the final outcome. This conclusion is deeply troubling.

MCB4 must hear from our elected officials on this very important matter. It's imperative we get the missing information described in this letter in order to establish trust in this continuing process. Our hope, still, is to achieve a more transparent working relationship with the development team where public information is shared without editorializing, a realistic timeline is proposed and shared, and we can all move toward reaching a clear understanding of the development proposals and how we got here.

Sincerely,



Jessica Chait
Chair
Manhattan Community Board 4



Kerry Keenan
Co-Chair
Chelsea Land Use Committee

Cc: NYCHA
Related Companies
Essence Development

EXHIBIT A

Survey Results—Presented April 2024

Development	Number of Leased Residents (over 18)	Total Surveys Submitted	Survey Participation (as % of Eligible Residents)	Total Households	Households with ≥ 1 Survey Submitted	Survey Participation (as % of Total Households)
Fulton	1,621	476	29%	911	329	36%
Elliott-Chelsea	1,767	493	28%	1,053	396	38%
Total	3,388	969	29%	1,964	725	37%

Survey Option Selected	Surveys Submitted	% of Total
Fulton Houses	476	100%
Rehabilitation of existing units	182	38%
New construction/full replacement of existing units	294	62%
Elliott-Chelsea Houses	493	100%
Rehabilitation of existing units	237	48%
New construction/full replacement of existing units	256	52%
Total Combined	969	100%
Rehabilitation of existing units	419	43%
New construction/full replacement of existing units	550	57%

Missing from the survey results is the following important percentage:

Development	Total Occupied Apts (Households)	Total Households in Favor of New Construction	% of those in favor in vs. total households
Fulton	911	294	32%
Elliott-Chelsea	1053	256	24%
	1964	550	28%

***Please note the survey results had a closer margin than originally portrayed by NYCHA.**