CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD No. 4

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July 28, 2026

Dina Levy
Commissioner
Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038

Re: 420 West 45th Street - Proposed Middle Income and Market-Rate HDFC Cooperative Housing Letter of Support

Dear Commissioner Levy:

On November 6, 2025, at the monthly Manhattan Community Board 4 (MCB4) Housing, Health, and Human Services Committee (HHHS) meeting, L+M Development Partners (L+M) presented the proposal for the redevelopment of 420 West 45th Street into 51-unit, mixed-income Housing Development Fund Corporation (HDFC) cooperative, with two-thirds of the units designated for middle income households, L+M presented the proposed redevelopment plan for apartment distribution, Area Median Income (AMI) bands, apartment finishes, and neighborhood impact.

During that HHHS Committee discussion, the Committee recommended that L+M return to the Committee with updated façade designs that reflect neighborhood character and the industrial history of the building.

On May 7, 2026, L+M returned to the HHHS Committee to present the updated façade drawings. At that meeting, the Committee discussed the proposed façade updates, project financing, long-term affordability, apartment resale restrictions, and HDFC cooperative bylaws.

At its regularly scheduled Full Board meeting on June 3, 2026, MCB4 voted, with a vote of 40 in favor, 0 opposed, 1 abstaining, 0 present but not eligible, to support the following:

- The proposed concept for mixed-income cooperative with market rate and middle-income apartments
- Updated façade drawing as presented on May 7, 2026[1]
- Request for an Article XI 40-year real estate tax exemption

[1] See appendices A and B for façade changes from November 2025 to May 2026, respectively.

Given that this is an innovative project, MCB4 notes the remaining concerns and requests L+M to return to the HHHS Committee for further discussion to resolve the following matters:

- Securing permanent or longer-term affordability through an extension of the term of the Regulatory Agreement
- Apartment resale policy provisions, including flip taxes to prevent windfall profits
- Specific primary residency requirements
- Specific sublease limitations for middle-income units
- Specific apartment layouts and distribution of middle-income and market rate units
- Special assessments—managing these charges to ensure long-term affordability

Background

420 West 45th Street ("the Site") is a 7-story building built in 1918. The building was formerly a Tootsie Roll factory and was later converted into an office building. The Site is located in the Preservation Area of the Special Clinton District. The Site has underlying R8 zoning with an FAR of 4.2. L+M, in partnership with Gural Family Properties Real Estate (GFP), are proposing the redevelopment of the Site to develop 51 homeownership units, with two-thirds of the units affordable to middle-income households. Additionally, more than half of these units will be family-sized units with two or more bedrooms.

The existing loft building will be demolished to construct an innovative mix of middle-income and market-rate units. L+M and GFP's redevelopment proposal is aligned with MCB4's goals of affordable housing at a broad range of incomes, including moderate and middle incomes, per MCB4's Affordable Housing Plan.[2]

The proposed building will be 75-feet tall, contextual with other buildings on West 45th Street and within the broader Special Clinton District. L+M and GFP have committed to all-electric building systems that will meet the Ultra-Low Energy Buildings (ULEB) designation. The proposed project is anticipated to be completed in Spring 2028.

Proposed Apartment Distribution

Unit Type	Number of Units	Percentage
Middle-Income Affordable	34	67%
Market Rate	17	33%
Total	**51**	**100%**

[2] July 2025 MCB4 Affordable Housing Plan

Apartment Size	Market Rate Units	Affordable Units	Total
One-Bedroom	2	21	**23**
Two-Bedroom	15	8	**23**
Three-Bedroom	0	5	**5**
Total	**17**	**34**	**51**

Proposed Affordability

The proposed redevelopment will consist of 51 HDFC cooperative units, 34 units of which will be affordable to middle-income households at 145-155% AMI. MCB4 supports the proposed affordability band distribution, as well as the proposed distribution of apartment sizes, of which 50% of the units will be family sized units of two or more bedrooms.

2026 New York City AMI by Family Size

AMI	1-person	2-person	3-person	4-person	5-person	6-person
145%	$172,260	$196,765	$221,415	$245,920	$265,640	$285,360
155%	$184,140	$210,335	$236,685	$262,880	$283,960	$305,040

Proposed Apartment Purchase Prices

The Middle-income affordable units at 145-155% AMI and market-rate units for HDFC cooperative ownership will be set at the following estimated prices:

Apartment Size	Middle Income Unit Price	Market Income Unit Price
One-Bedroom	$600,000-700,000	$1,200,000
Two-Bedroom	$715,000-770,000	$1,400,000-1,800,000
Three-Bedroom	$800,000-900,000	N/A

The middle-income household burden will be determined by the total monthly housing costs: common charges, utilities, and allocation of ground lease payments. Based on that total, a monthly mortgage payment will be calculated with all costs not to exceed a 33% household burden[3] for the applicable AMI band, per HPD HDFC guidelines. That monthly mortgage payment shall determine the middle-income sales prices.

While middle-income and market rate units will carry the same common charges per square foot, to ensure affordability for middle-income units, market-rate apartments will be allocated a greater amount of the ground lease payments.

Marketing

[3] Homeownership affordability standard

The 32 middle-income apartments will be posted on NYC Housing Connect, the City's affordable housing application portal, for prospective middle-income homeowners to apply. Further, L+M will be hosting town hall meetings to support and assist first-time homeowners and HDFC cooperative owners in the purchasing and homeownership process.

Parity – Apartment Finishes, Amenities, and Apartment Distribution
The Applicant has committed to the following to ensure parity between market rate and affordable units in the proposed redevelopment:

- Same finishes and appliances in both market rate and affordable units.
- Distribution of affordable units on all floors, including on the penthouse floor, throughout the building.
- Amenities and shared spaces are accessible at no charge to all residents.

Building Façade & Community Context
During the Committee discussion at the November 6, 2025, HHHS meeting, Committee members responded to the proposed façade, stating that the design was generic and too glassy. MCB4 requested L+M to make changes to the proposed building façade reflecting the neighborhood context of industrial history.

At the May 7, 2026 HHHS Meeting, L+M presented their updated façade renderings along with their design progression since November 2025 to implement Committee feedback. Those changes from November 2025 to May 2026, as shown in appendices A and B, detail a façade to be more contextual with the character of West 45th Street and broader neighborhood. The changes include darker red brick, increased masonry details, and an overall less glassy façade. MCB4 supports the changes to the proposed façade and appreciates L+M for taking the time and effort to implement MCB4's feedback.

Proposed Financing
The proposed project will not rely on any NYC Housing Preservation and Development (HPD) capital subsidies or other City financing. The L+M development team is applying for a 40-year HPD Article XI real estate tax exemption and NYS Affordable Housing Corporation grant funding. L+M stated that the construction of the proposed project will be financed through a conventional construction loan and equity, allowing limited city capital subsidy and tax-exempt bonds to be directed toward serving the City's most vulnerable low-income households. Additionally, construction financing will be repaid by net sale proceeds, and market rate units will cross subsidize the middle-income units. Finally, the proposed project will have a HDFC cooperative structure to balance long-term affordability with equity growth, while preventing windfall profits.

Permanent or Longer-Term Affordability

MCB4 has long advocated for lengthier terms of Regulatory Agreements to ensure long-term affordability, for residents to stay in place for multiple generations. In Manhattan Community District 4 for example, 540 West 53rd Street has an Article XI real estate tax exemption of 40 years, however the Regulatory Agreement has a term of 80 years for extended affordability. The supposition being that after the 40 Article XI expires, the owner will seek to renew that exemption based on the extended affordability requirements.

MCB4 Requests

Article XI Term

- MCB4 requests L+M to seek HPD's approval to obtain a longer term for the Regulatory Agreement for permanent or longer-term affordability.

Resale Policy

- MCB4 requests L+M to provide detailed resale restrictions and flip tax policies to ensure that the redevelopment strikes a balance between gaining equity and avoiding windfall profits.

Primary Residency Requirements

- MCB4 requests L+M to detail the primary residency requirements for the middle-income apartments. Unit owners must be the primary resident of their apartment.

Sublease Policy

- MCB4 requests L+M to detail the sublease policy for the middle-income units in the building. MCB4 requests that there be limitations to ensure owner occupancy and building stability.

Special Assessments Allocation

- MCB4 requests L+M to detail the allocation of fees for special assessments, including Local Law 11 assessments. Please clarify how they will be sized based on a shareholder's pro rata share and ensure this does not create an affordability problem.

Building Layouts

- MCB4 requests L+M to present floor plans reflecting apartment layout and apartment distribution of market rate and affordable units across the building.

Amenity Package

- MCB4 requests L+M to detail the amenities available in the proposed redevelopment of 420 W 45th Street.

Conclusion

MCB4 commends L+M for a thorough presentation that reflects the MCB4 Affordable Housing Plan. The Applicant has shown a willingness to discuss and implement MCB4's requests in a thoughtful manner. This redevelopment will be an important addition to Hell's Kitchen to further MCB4's goal of fostering equitable, quality middle-income housing that is economically integrated into our District.

MCB4 recommends approval of this Article XI tax exemption application provided the Applicant provides responses in writing and documents to satisfy the conditions and clarifications raised by MCB4.

Sincerely,

Leslie Boghosian-Murphy
Chair
Manhattan Community Board 4

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

Maria Ortiz
Co-Chair
Housing, Health,
and Human Services
Committee

cc: Hon. Carl Wilson, NYC Councilmember
Sara Levenson, Managing Director, L+M Development Partners

Appendix A: November 2025 Façade

Appendix B: May 2026 Façade Update