



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD No. 4

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J. LEE COMPTON
Chair

ROBERT J. BENFATTO, JR., ESQ.
District Manager

November 1, 2006

Arden Sokolow
Program Director
Inclusionary Housing Program
Department of Housing Preservation & Development
100 Gold Street
New York, New York 10038

Re: 450 West 17th Street—The Caledonia
Inclusionary Housing Production
The Related Companies

Dear Ms. Sokolow,

The Board would like to thank you for the detailed presentation at the Board's Affordable Housing Task Force on October 19th regarding the above referenced development. This Inclusionary Housing Plan was referred to the Board in December 2005 and was subsequently discussed by the Chelsea Preservation and Planning Committee in summer 2006. However, until your presentation in October, the specifics of this plan were simply not clearly conveyed.

We now understand that the 59 affordable units to be produced by Related at this site are not a part of any zoning bonus for the Caledonia site itself. Instead, Related will bank these Inclusionary Development Rights to be sold to another developer to be used at another development site in the West Chelsea or the Hudson Yards Special Districts. In fact, the Caledonia site itself is not eligible for an Inclusionary Housing Bonus.

You assured us that all unit finishes will be the same for market rate and affordable units and that the affordable units will be distributed throughout the 80/20 portion of the project. That portion of the development occupies the first 8 floors of the building. The 9th through 24th floor is market rate condominium. It is that fact which has raised and continued to raise serious policy questions for the Board. We enumerate them as follows:

- Is 450 West 17th Street actually 2 buildings? Or is it one building with two separate entrances?
- Do the rental portion and condo portion share mechanical services (i.e. electric, gas, sprinkler, heating) ?
- Are there any amenities which are available to the condo owners that will not be available to the rental tenants, both affordable and market?

- Is the legal structure of the property 2 condominium units—one for rental portion and one for the condo? Is the condo then further subdivided?

The Board's policy concerns arise from the de facto segregation of the affordable tenants in the 80/20 portion of the building. Although the Caledonia is divided into a rental portion and a condo portion for financing purposes, it appears to be a single building or structure.

Based on the presentations to date, made by Related and HPD, 450 West 17th is essentially one building. Therefore, Manhattan Community Board #4 believes this development complies, neither with the intent nor the letter of the Inclusionary Housing Zoning.

The New York City Zoning Resolution, Section 23-591 (Inclusionary Housing, On Site New Construction Option) states,

"#Dwelling units# designated as #lower income housing# shall be distributed throughout the #development#.

Section 12-10 of the Zoning Resolution defines #development# as

"a new #building or other structure# on a #zoning lot# ."

These sections of the text lead to the conclusion that the Inclusionary units must be distributed throughout the entire building, and not limited to the rental portion of the Caledonia.

We are certain that both HPD and the Board share the common goal of economic integration resultant from the Inclusionary Housing provisions the West Chelsea rezoning. Attempts to circumvent such integration undermine the core principle of Inclusionary Housing—inclusion.

We ask HPD the review the above information and respond the above inquiries to resolve these policy matters.

Sincerely,



Lee Compton
Chair
Manhattan Community Board #4



Joe Restuccia
Chair
Affordable Housing Task Force