



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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COREY JOHNSON
Chair

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

June 21, 2013

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

**Re: 551 Tenth Avenue
Inclusionary Housing—Lower Income Housing Plan Application**

Dear Commissioner Wambua:

The Lower Income Housing Plan Application (the “Application”) for Extell Development Group’s (the “Applicant”) development at 551 Tenth Avenue (the “Project”) was discussed at the May 22, 2013 meeting of Manhattan Community Board 4’s (CB4) Housing Health and Human Services (HH&HS) Committee. CB4 voted to recommend **denial** of the Application **unless the conditions enumerated below are met**, some of which have already been agreed to by the Applicant (see attached letter dated June 5, 2013).

The Project: An Overview

The project site is located on Tenth Avenue and runs through block between West 40th Street and West 41st Streets. This site is located within Hell’s Kitchen Subdistrict D1 of the Special Hudson Yards District (SHYD) and is zoned with a maximum residential Floor Area Ratio (FAR) of 6.5 which is bonusable to 15 via a combination of District Improvement Fund (DIF), Inclusionary Housing and Community Facility floor area bonuses. The Applicant has elected to pursue all of these bonuses, as such the Applicant will:

- Pay approximately \$30 million into the DIF;
- Construct 119 permanently affordable low-income units; and
- Build approximately 93,000 square feet of community facility space.

The Project will be a 52-story building with approximately 93,000 square feet of retail and community facility space. The Applicant has also purchased development rights from St. Rafael’s Church which is adjacent to western edge of the Project. The Project includes 598 units of which 119 are permanently affordable for low income individuals and families. Those 119 units include 20 studios, 66 one-bedrooms, 28 two-bedrooms, and 5 three-bedrooms. CB4 is

pleased that the Project includes affordable three-bedroom units. The entrance to the residential portion of the building will be at West 40th Street and Tenth Avenue while the entrance to the community facility will be at the corner of West 41st Street and 11th Avenue. The residential portion of the building begins at the 10th floor. At the time of the Applicant's presentation to CB4, affordable units were located on floors 10 through 38, or 65% of the floors. Since that time, the Applicant has agreed to provide units on 80% of the floors unless the building includes for-sale units.

Hudson Yards--Community Facility Bonus

This Project marks the first time the SHYD Community Facility bonus is being used. The bonus will add approximately 93,000 square feet of floor area to the building and approximately 100 feet in height. A user for the community facility space in the building, floors 2 through 8, has not yet been identified. The Applicant is considering classrooms, university dorms, or a healthcare use. The Board requests a healthcare or classroom use. Healthcare facilities would provide a needed service to the neighborhood and university or secondary education classrooms would be a welcome use, providing street activity from the day into the evening. However, the Board does not support the Community Facility bonus being used for dormitories. Dormitories bring a transient population and cause quality of life issues for neighboring residents. The Board welcomes the new residential units the Project will bring and wants to ensure the Community Facility will be a use the promotes peace and enjoyment.

Housing Program

The Project is an 80/20 rental building financed with tax-exempt bonds from the New York State Housing Finance Agency and a 421(a) Tax Exemption. The 80/20 Program requires that 20% of the apartments, 119 units, be affordable to low income individuals and families. Those same 20% low income units are made permanently affordable through a deed restriction under the New York City Inclusionary Housing Program. The Application, submitted to the New York City Department of Housing Preservation and Development (HPD) by the Applicant will govern the 119 apartments which will be created under the Inclusionary Housing program and made available to those at or below 60% of Area Median Income (AMI). CB4 is pleased that all of the inclusionary units for the Project will be developed on-site. CB4 supports and appreciates its diversity and the Project, if fully integrated, will celebrate that diversity.

Amenities

The Project features amenities including tenant storage, laundry rooms, 24/7 fitness room, children's lounge, gaming lounge, bowling alley, pilates/yoga studio, indoor and outdoor pool, club room, and roof deck. All of these amenity spaces will either be open to all residents of the building at no cost or will be available to the low-income tenants of the building at a reduced rate. CB4 requests that if there is a fee that it only be for the ninth floor where the indoor pool and fitness center is located and not for the cellar facilities or roof deck. Additionally, there is a washer, dryer and dishwasher in every unit in the building.

NOW, therefore, be it resolved that Manhattan Community Board 4 recommends denial of the Application for 551 Tenth Avenue, *unless the following conditions, which have been agreed to by the Applicant, are included in the Lower Income Housing Plan executed by HPD:*

Permanent Affordability

- A Restrictive Declaration be filed that requires development of 119 units of housing in the Project, affordable *in perpetuity*, to those earning less than 50% of AMI.

Marketing

- The Inclusionary units will be subject to a 50% community preference.

Apartment Distribution

Among Floors

- Since the May HH&HS meeting, the Applicant has agreed that the affordable units shall be distributed throughout 80% of the floors with at least one unit on each floor and no more than 33% of the total units on each floor being affordable. CB4 acknowledges that HPD only requires apartment distribution throughout 65% of the floors and appreciates that the Applicant has met that minimum and gone further. It should be noted that if the Applicant agrees to convert a portion of the building to condominiums, then distribution will only be throughout 65% of the floors. CB4 reiterates its longstanding position that apartment distribution should be among 100% of the floors.

Within Floors

- According to the plans, affordable units are distributed amongst all of the building exposures. CB4 is pleased that the Applicant has provided this layout.

Apartment Finishes

- The Applicant has stated that the apartment finishes will be the same in the kitchen including cabinets, countertops and appliances and will have the same bathroom flooring. The wall tile and vanities will differ between the market rate and affordable units. CB4 accepts this difference in apartment finishes but requests that in the future the Applicant provide *all the same finishes*.

Amenities

The Applicant has agreed that if the amenities are free, all residents will have equal access to those spaces. However, if the Applicant elects to charge a fee for any or all of the amenities, the Applicant will charge the low-income tenants 50% of the market-rate cost. CB4 accepts this fee

structure for the amenities on the ninth floor, including the pilates/yoga room, fitness center, and indoor pool.

Jobs

- Applicant will apprise CB4 of job opportunities that can be filled by community residents so that CB4 may post those opportunities on its website.

NOW, therefore, be it further resolved that Manhattan Community Board 4 recommends denial of the Application for 551 Tenth Avenue, *unless the following conditions, which have been not yet been agreed to by the Applicant, are included in the Lower Income Housing Plan executed by HPD:*

Apartment Finishes

- The Applicant has stated that the market rate units will have oak strip floors while the affordable units will have parquet floors. CB4 cannot support this Application unless the flooring is same in all of the units.

Amenities

- CB4 requests that the cellar and rooftop deck amenities, including the rooftop outdoor pool, be open to all residents free of charge in order to allow tenants of the building to interact in order to form a fully integrated community.

Community Facility

- The community facility space in the building is being developed due to the floor area bonus it provides. The Applicant stated that they are considering educational facilities, dorms, and healthcare facilities as the potential users of the space. CB4 feels strongly that this space is not suitable for dormitories and requests that the Applicant only engage with healthcare or educational facility users. This area needs more uses that are beneficial to neighborhood residents and not additional transient populations. Healthcare facilities would provide a needed service to the neighborhood and university or secondary education classrooms would be a welcome use, providing street activity from the day into the evening.

Thank you for the opportunity to provide comments and submit recommendations on this important Application.

Sincerely,



Corey Johnson
Chair

[signed 6/21/13]
Barbara Davis, Co-Chair
Housing, Health &
Human Services Committee



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

cc: All Local Electeds
RuthAnne Visnauskas – HPD
Beatriz de la Torre – HPD
Thehbia Walters – HPD
Alisha Ozeri - HPD
Sara Levenson - HPD
Extell
Ken Lowenstein
DCP