



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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Delores Rubin
Chair

Jesse Bodine
District Manager

April 7, 2017

Marisa Lago
Chair
City Planning Commission
120 Broadway
31st Floor
New York, New York 10007

**Re: 517 West 35th Street
Related Companies
Proposed Residential and Commercial Development**

Dear Chair Lago:

At its March 27, 2017 meeting, Manhattan Community Board 4 (MCB4) reviewed a presentation by the Related Companies regarding 517 West 35th Street, a residential and commercial use site that will be developed by the Related Companies. The site is located in the Large-Scale Plan Subdistrict A of the Special Hudson Yards District (SHYD) and is subject to the phased development requirements of Section 93-122 of the New York City Zoning Resolution. The total lot area of the site is 56,793 square feet, and the residential portion of the proposed development will yield approximately 400 residential units. By a vote of 33 in favor, 0 opposed, 0 abstaining, and 1 present but not eligible to vote, the Board voted to support a zoning text amendment that will allow residential construction to begin prior to the commercial construction, with conditions.

Special Hudson Yards District - Section 93-122 of the New York City Zoning Resolution

Section 93-122 (b) of the Zoning Resolution allows for certain sites within the SHYD that contain both residential and commercial uses to build the residential portion of their site prior to the commercial portion:

- (b) For #zoning lots# with *at least 69,000 square feet of #lot*

*area*¹, the Chairperson shall allow for one or more *buildings* containing *residences* to be *developed* or *enlarged* without the minimum amount of *commercial floor area* required before *residential use* is allowed, as specified in Section 93-21 or 93-22, as applicable, upon certification that a plan has been submitted whereby one or more regularly-shaped portions of the *zoning lot* with a minimum area of 50,000 square feet are reserved for future development of not more than two million square feet of *commercial floor area* on each such portion, and that, upon full development of such *zoning lot*, the ratio of *commercial floor area* to *residential floor area* shall be no smaller than the ratio of the minimum amount of *commercial floor area* required on the *zoning lot* before *residential use* is allowed, to the maximum *residential floor area* permitted on the *zoning lot*, as specified in Section 93-21 or 93-22, as applicable.

Request from the Related Companies

At its March 8, 2017 presentation to the Clinton/Hell's Kitchen Land Use Committee, Related requested support for a zoning text amendment that would *decrease the square footage threshold for phased development from 69,000 square feet of lot area to 55,000 square feet of lot area*. The developer proposes that for those sites that contain at least 55,000 but less than 69,000 square feet of lot area, residential development be permitted to commence prior to commercial development on the condition that the Chair of the City Planning Commission certifies that:

1. At least 35,000 square feet of the zoning lot will be reserved for future development of the commercial floor area; and
2. Upon full development of the site, the ratio of commercial floor area to residential floor area will be no smaller than 3:1

As it applies to the 517 West 35th Street site, this proposed amendment would maintain the same total zoning areas for both the proposed residential building, which will have a total of 414,744 ZSF, and the proposed commercial building, which will contain 948,432 ZSF.

¹ Emphasis added.

Furthermore, the Board notes that the proposed residential portion of the site will be built along 10th Avenue, consistent with MCB4's goals for strong residential presence along that avenue.

Permanently Affordable Housing

MCB4 supports the text amendment, which would allow residential development to be completed sooner. However, the Board's primary concern is the provision of permanently affordable housing. In the course of discussions with MCB4, Related stated the project will seek 80/20 tax exempt bond financing, which would require that 20% of the units in the residential rental building be affordable. MCB4 supports the proposed text amendment to allow residential development prior to commercial development with a decreased commercial footprint requirement. That support, however, is conditioned upon the developer's provision of permanently affordable housing at 517 West 35th Street. During Related presentations to MCB4, Related agreed that as long as the proposed development receives a 421a real estate tax exemption², those affordable units required under that real estate tax exemption would be permanently affordable.

10th Avenue Streetwall

Related has committed to designing the proposed residential building so that the Tenth Avenue streetwall conforms with that of the adjacent building in the northeast corner of the block.

Street Tree Planting/ ConEd Vault Locations

The developer has also agreed to work with ConEdison to ensure that the placement of street vaults along the Tenth Avenue portion of the proposed development does not hinder the ability to plant trees along that sidewalk.

Conclusion

The residential portion of this proposed development will contain approximately 400 residential apartments. With the residential component of this proposed development proceeding prior to the commercial portion, approximately 80 affordable housing units will come online in 2019. Through inclusionary housing, that provision has created 1,075 affordable units through permanent inclusionary housing. By voluntarily making the units in the proposed development permanently affordable, the proposed text amendment will affect the same action Related took at the Caledonia at 450 West 17th

² MCB4 acknowledges and understands that the 421a tax exemption program for rental buildings is currently expired and being renegotiated with the New York State Legislature and Governor. Both MCB4 and Related are confident that a compromise will be reached in 2017.

Street. This action is consistent with public policy set forth in the Hudson Yards Points of Agreement to create permanently affordable housing. Related voluntarily made its 80/20 affordable units permanently affordable at the Caledonia in its development at 450 West 17th Street, located in a subdistrict of the Special West Chelsea District, which did not have zoning text for inclusionary housing. MCB4 requests that Related voluntarily make the residential units in the proposed development affordable.

MCB4 looks forward to working with Related and other developers with this provision of the proposed zoning text amendment to make any 80/20 units developed to be permanently affordable and to ensure earlier residential development on this and other sites within the Special Hudson Yards District.

Sincerely,



Delores Rubin
Board Chair



Jean Daniel Noland
Chair, Clinton/Hell's Kitchen Land
Use Committee