



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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Chair

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District Manager

January 15, 2007

Ms. Laura Lazarus
Deputy Commissioner for Development
Department of Housing Preservation and Development
100 Gold Street
New York, NY 10038

**Re: Lower Income Housing Plan Application by Atlantic Development Group LLC
– 303 Tenth Avenue**

Dear Ms. Lazarus:

At the recommendation of its Housing, Health and Human Services Committee, Manhattan Community Board No. 4 recommends disapproval of the Lower Income Housing Plan Application by Atlantic Development Group LLC for its project at 303 Tenth Avenue unless it is resubmitted with changes. The vote was unanimous.

THE PROJECT

The applicant, Atlantic Development Group LLC, is proposing an 89-unit 80/20 project to be located at 303 Tenth Avenue. This 80,000 square foot building 13-story building is expected to consist of ground floor retail, 22 studio units, 54 one bedroom units and 13 two bedroom units along with a gym, laundry room, and storage space. Of these 89 units there will be 18 lower income units (20%); 5 studios, 11 one bedroom units, and 2 two bedroom units.

The applicant is seeking tax exemption financing from either the NYC Housing Development Corporation (HDC) or the NYS Housing Finance Authority (HFA). If such financing is possible the applicant plans to establish rents on the low income units to exceed 30% of 50% of the NYC median income. Otherwise the applicant will seek financing pursuant to HDC's Taxable 80/20 program and establish rents at 30% of 80% of median income.

We also make note that through one of the above financing programs this development will create more than the requisite 10% of residential floor area requires pursuant to the West Chelsea rezoning to lower income housing. Atlantic, thus, informs us they plan to

sell the excess low income square footage – which they estimate at 6,000 square feet - to other developments so as to generate additional off-site zoning bonuses.

OUR COMMENTS

1. Some of the low-income units should be combined to create larger units.

A healthy neighborhood needs families and families need bigger apartments. Yet, 89% of the low-income units in this project are planned to be studios and one-bedroom units, attracting a more transient population than this community desires. We urge you to explore with the developer and with the New York State Housing Finance Agency ways in which some of the proposed studios could be combined to create larger units.

2. Building amenities must be generally available to all tenants.

In the presentation to the Housing, Health and Human Services Committee, the applicant's representatives indicated that the project would include a health club, laundry room, and storage space which would be available to all tenants. If there is to be an annual charge for these amenities they must be made available to low-income tenants at an affordable rate. Creating a rate structure not affordable to all building tenants is exclusive and discriminatory.

3. Apartment finishes must be equal for lower income and market rate units.

In the response to questions posed at the Housing, Health and Human Services Committee, the applicant wrote back to us re finishes and apartment interiors:

While we have not yet finalized the specifications for apartment interiors, the finishes will be of high quality similar to those found in market rate Manhattan developments. All units will be substantially the same (i.e. flooring, carpentry, countertops and bathroom finishes). However, there may be some variations in the appliance package for market rate and low-income units with regard to color choice and exterior finishes (emphasis ours).

Although we take note of the term word “substantially the same” is does NOT mean the same. And it is unclear whether the variations noted by the applicant are the reason for the substantial similarity or an additional difference. Either way the public policy followed by the developer and the government agency should be “equality of treatment”. Meaning all persons are treated the same by the organization of interest. No two people are treated differently. Impartiality and fairness are both accepted by all parties, because preference is neither given to nor taken from. Such a policy is often a feature of a democratic government.

As this Board has noted before, these apartments will be permanently affordable, through the Inclusionary Housing Program, and they should be inclusive not only fully distributed

throughout the buildings, but also in quality and apartment finish. The future tenants of the affordable units are not second class citizens.

The only reason a great number of additional market units can be built on this site, is directly related to the Inclusionary Housing Bonus. The Inclusionary Apartments must be built to the same construction standard as the entire building. This approach of a second tier of quality is redolent of lack of fully integrated distribution of affordable units throughout a building.

Multiple development teams have justified this approach with the following response: “That is the normal practice in 80/20 financing”. Please note the response is practice not requirement or financing guideline. In the Hudson Yards & West Chelsea Rezonings, Manhattan Community Board #4 agreed to with the Department of City Planning and the Department of Housing Preservation and Development that the majority of affordable housing production would be through expansion of the Inclusionary Housing Program.

The purpose was to ensure as development proceeded, these neighborhoods would remain diverse and integrated, both socially and economically. The Board cannot approve of such blatant differences in quality and seriously questions the reasoning behind them. The effect such differences can have, especially on children within the apartment complex, who will go from one unit to another based on relationships formed, would seem to far out way any minimal cost to furnishing all units the same – as many other successful developers do.

CONCLUSION

These applications demonstrate once again the aggressive use developers will seek to make of the Inclusionary Housing Program in this still over-heated development environment. While we are pleased that they will produce so many additional units of permanent affordable housing, HPD must be similarly aggressive in insisting that the policies underlying the Inclusionary Housing Program are not compromised, and that quality affordable housing is produced of which we can all be proud.

Many thanks for your attention.

Sincerely,

Jean-Daniel Noland
Chair
Manhattan Community
Board No. 4

Sarah Desmond
Co-Chair
Housing, Health & Human
Services Committee

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

Cc: Charles Brass, Executive Vice-President, Atlantic Development Group LLC
Arden Sokolow, Director, Inclusionary Housing Program, NYC HPD
Electeds