

Brooklyn Borough President Recommendation

CITY PLANNING COMMISSION

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INSTRUCTIONS

1. Return this completed form with any attachments to the Calendar Information Office, City Planning Commission, Room 2E at the above address.

2. Send one copy with any attachments to the applicant's representatives as indicated on the Notice of Certification.

APPLICATION #: 140277 ZSK, 140278 HAK

Henry Apartments

In the matter of applications submitted by the Department of Housing Preservation and Development (HPD), pursuant to Sections 197-c and 201 of the New York City Charter and to Article 16 of the General Municipal Law of New York State, the following:

- a) for the grant of a special permit pursuant to Section 74-902 of the Zoning resolution to modify the requirements of Section 24-111 (Maximum Floor Area Ratio and Percentage of Lot Coverage) to apply to a non-profit institution with sleeping accommodations in connection with a proposed 6-story building on property located at 768-770 Decatur Street a.k.a. 1696-1712 Broadway;
- b) the designation of such property as an Urban Development Action Area and an Urban Development Action Area Project for such area; and
- c) the disposition of such property to a developer to be selected by HPD to facilitate the development of a six-story mixed-use building with approximately 79 residential units of affordable and supportive housing and ground floor commercial space.

COMMUNITY DISTRICT NO. 16

BOROUGH OF BROOKLYN

RECOMMENDATION – 140277 ZSK & 140278 HAK

APPROVE
 APPROVE WITH
MODIFICATIONS/CONDITIONS

DISAPPROVE
 DISAPPROVE WITH
MODIFICATIONS/CONDITIONS

BOROUGH PRESIDENT

April 25, 2014

DATE

RECOMMENDATION FOR THE PROPOSED HENRY APARTMENTS 140277 ZSK & 140278 HAK

The applicant, the Department of Housing Preservation and Development (HPD), is seeking an Urban Development Action Area Plan (UDAAP) designation, UDAAP project approval, approval of disposition of city-owned property, and a special zoning bulk permit to facilitate the development of Henry Apartments, a mixed-use supportive housing project with low-income rental units, as community facility use, within the Ocean Hill neighborhood of Community District 16 (CD 16).

On April 8, 2014, the Borough President held a public hearing on the proposed land use actions. The representative for the applicant noted that in response to Community Board 16 (CB 16) concerns the program evolved from all studio apartments to a mix that would contain six three-bedroom units, 21 two-bedroom units, 15 one-bedroom units and 37 studios. In order to qualify for these units, household income would not exceed 50 percent of Area Median Income, with tenants paying 30 percent of their income towards rent and project-based Section 8 vouchers would cover shortfalls between allowable rent and a household's ability to pay. These vouchers would remain in effect for the duration of the still to be finalized Regulatory Agreement. While 30 years is the standard duration, the project sponsors are open to the idea of extending the duration of the Regulatory Agreement as the development partners maintain interest in achieving long-term affordability.

For single-person housing incomes could not initially exceed approximately \$29,000 to qualify for being selected to become a tenant. For two-person households, the income threshold is approximately \$33,600. Income limits for four-person households are approximately \$42,000 and approximately \$49,000 for six-person households. Due to the Section 8 vouchers there is no required minimum income. Rent includes an allowance for electrical use – which would otherwise be a concern since these units are more likely to rely on means of mechanical ventilation to mitigate noise emanating from public transit trains running along the adjacent elevated train tracks. For the non-supportive units, there would be a 50 percent local preference in the selection of tenants for those now residing in CD 16. It was noted by the Deputy Borough President that this site is across Broadway from CD 4.

In order to have community residents aware that there would be an opportunity to obtain the non-supportive units, marketing strategy would include advertisement in local media outlets, the Amsterdam News, citywide papers, Craigslist and working closely with CB16 with having application provided to area health centers and houses of worship. A banner would also be placed on the building and HPD's online process would also be in place. The Deputy Borough President was pleased that applications would not be limited to just online applications as too many households in need for quality affordable apartments do not have easy access to computers. In response to the Deputy Borough President's concern regarding the need for financial literacy efforts to help area residents remove possible barriers to being an eligible applicant for these units, the sponsors were open to undertaking such steps.

In terms of obtaining tenants for the supportive units, the sponsors would be reaching out to local shelters and clinics in the community and then screen the potential tenants with mental disabilities for suitability based on the case management services to be provided on site that are there to manage behavior issues and house services.

In terms of the leasing of the retail space, the Deputy Borough President noted that abundance of 99 cent stores along Broadway and urged the project sponsors to seek out quality tenants. As one of the development partners was substantially involved with area merchants, the intent is to find appropriate tenants and though it is too soon to solicit for retail tenants, the sponsors have been advised by their brokers that they should expect to be able to execute leases with desired tenants.

Finally, the Deputy Borough President noted the Borough President's policy to maximize job opportunities for Brooklynites on local construction projects and was seeking for the applicant to incorporate Brooklyn-based contractors, including participation by MWBEs and Brooklyn material supply firms in the construction process. The representative noted that there has been MWBE contractor and subcontractor participation on prior projects and believe it is important for the development to be constructed with local participation.

There were two speakers, the Chair of CB 16 who testified in favor, citing the voted of CB 16 and noted that the development would eliminate a blighted condition to facilitate affordable and supportive housing as well as ground floor commercial space. The other speaker was in opposition because the project lacked a community agreement that would adequately address his concerns regarding the duration of affordability, living wage and concern with regards to the supportive population being mentally challenged. The speaker suggested the rise in crime in the area might be associated with the increase in the number of homeless shelters in the area. The speaker stressed the need to have positive influences provided in the community for the benefit of area youth.

CONSIDERATION

CB 16 approved the application.

In 2005, the city-owned site was originally undergoing land use review for a disposition according to HPD's Anchor Program, a program that intended to infuse the Broadway corridor with retail use. This site would have contributed 17,000 sf of commercial use to the neighborhood.

Henry Apartments would be developed and managed through a joint venture between Services for the UnderServed (SUS), Alembic Community Development LLC (Alembic) and Avery Enterprises, Inc. Alembic is an organization that is dedicated to building affordable and supportive housing stock in low and moderate income neighborhoods. SUS, founded in 1978, provides housing and services to individuals and families facing a wide range of challenges including: mental illness, developmental disabilities, physical disabilities, AIDS, homelessness, unemployment and poverty. To date, SUS has developed and managed more than 1,000 of such units, including buildings in proximity to the proposed development.

Development would consists of two new six-story supportive housing buildings, on both a privately-owned site at 1674-1684 Broadway on the north side of Decatur Street, and on a city-owned lot at 1696-1712 Broadway on the south side of Decatur Street. The private site is proposed for 50 units of permanent and supportive housing, while the city-site, the subject of the ULURP actions, would have 78 such units, plus an apartment for the building super. Funding assistance would be provided through the State Homeless Housing and Assistance Program as well as through HPD's Supportive Housing Loan Program, tax-exempt bonds through the City's Housing Development Corporation (HDC) and equity raised through four percent low-income tax credits. A Mayoral Zoning Override would allow for the building on the city-owned site to achieve six-stories without a street-setback as required above the fourth floor.

77 permanent supportive housing units (approximately 60 percent of the units), consisting of mostly studio units, would be for eligible individuals with severe and persistent mental illness, and who are chronically homeless. These dwelling units would likely be reserved for homeless individuals who will sign a lease and have the same rights and responsibility as any other tenant in the City. The remaining 50 of the affordable housing units are intended for families with household incomes not exceed 50 percent of Area Median Income (approximately \$42,000 for a family of four) and includes 26 two-bedroom units and five three-bedroom units. A Regulatory Agreement with HPD and HDC would enforce a requirement that the development remain affordable for at least 30 years.

Residents would be acclimated to the residence through a series of community events offered on-site, such as tenant dinners, activities such as art classes and movie nights, and tenant meetings. SUS would provide individualized case management and personal recovery programs based on identified needs. SUS would perform reassessments of the residents' functioning and needs regularly and would modify support service plans accordingly. Such services would focus on developing independent living and job training and include daily life skills training, employment training and placements services, and structured social and recreational activities that would be offered to all residents. Specialized services would be provided for severe mental health conditions and drug additions. The project would employ a housing director, registered nurse, case managers, wellness coaches and peer specialists to meet the needs of the portion of the tenant population requiring special services. Security presence would be included at all times with monitoring at the front desk. No external support services would be required. State Office of Mental Health has set aside annual service funds to support the intended formerly homeless occupants achieve independent living, despite serious mental illness.

The private site would contain nearly 2,700 sf of retail space, while the city-owned site would contain approximately 4,500 sf of retail space. Parking would be addressed by the 13 spaces to be provided on the private site, though use would be shared by residents of both buildings. Henry Apartments is well served by public transportation, with the elevated J and Z trains running along Broadway and having the Chauncey Street station one block away. The Broadway Junction subway station is five blocks away. Space would be provided to accommodate the parking of 34 bicycles. There would also be an on-site laundry facility. For the City site, eight street trees would be planted on the sides streets, while in response to the elevated train structure along Broadway, eight additional required tree plantings would be planted elsewhere through the Department of Parks and Recreation's Street Tree Planting Program for new buildings.

The requested zoning special bulk permit would allow for the project to increase its build-out by being able to utilize some portion of community facility floor area that is otherwise not available to non-profit institutions with sleeping accommodations.

In response to noise, the buildings would require window-wall attenuation and alternate means of ventilation. The architect of record is required to demonstrate the manner in which the window-wall attenuation would be achieved in writing prior to the projects loan closing and/or the conveyance of city-owned property to the developer. Measures would be required through the Land Disposition Agreement and Regulatory Agreement between HPD and the developer.

It is the Borough President's policy to support land use actions that are compatible with surrounding land uses and would benefit the neighborhood while providing needed affordable housing opportunities, making city-owned property available for private development opportunities which in turn, enhances the City's community revitalization efforts.

The proposed actions would create opportunities for new residential and retail uses along Broadway, on a vacant site that has been a blight on the neighborhood. This project would promote health and safety, and encourage sound growth and development in an area where there is demand for affordable housing. The proposed development would provide for an increase of supportive housing options as a means to address needs in the community and would complement existing residential and commercial uses in the neighborhood, while creating construction and permanent jobs. Such retail use would enliven the area's surrounding streetscape.

The Borough President is generally supportive of the developer's intent to obtain additional development rights through the granting of the requested special bulk permit because the additional development, with its proposed 3.35 floor area ratio (FAR) consistent with the recently adopted increase of bulk (4.6 FAR) permitted along Broadway in Community District 3, which he believes would be appropriate density for this site.

The Borough President also believes that there is a need for supportive housing options for individuals that are circumstantially homeless, including persons with psychiatric disabilities. Supportive housing is a cost effective way of addressing the diverse needs of the homeless, while also integrating residents into the life of the neighborhood. The Borough President believes that projects containing supportive housing units are best integrated into a community when such units are interspersed in the same building with housing units for families. This proposal is generally consistent with recent City policy changes that have evolved to provide such supportive housing developments with a blend of 40 percent of occupants being families earning up to 60 percent AMI. This project completely follows this model.

Though the Borough President is generally supportive of the proposed development, he has concerns regarding the duration of affordability and the actually MWBE participation. In addition, as this project further highlights the appropriate means to house those living with mental disabilities that are capable to live in their own apartment with onsite support services, the Borough President believes that there is a need to reduce the capacity of those living in transitional housing and shelters in the community. Furthermore, the development is more reflective of a more appropriate density that should be generally permitted along Broadway from Williamsburg to Broadway Junction.

Permanent Affordability

It is the Borough President's policy that such affordable housing units remain "Affordable Forever" wherever feasible. The Borough President is concerned that the standard Regulatory Agreement used by HPD is typically not more than for thirty years. His concern is that as tenants move out after the expiration of such Regulatory Agreement that such units would no longer be an affordable housing resource. In areas where new developments can be realized on city-owned sites, it should be a policy of the City to minimize the loss of affordable housing by requiring for such units to remain as affordable housing in perpetuity.

Jobs

The Borough President is concerned that too many residents of Brooklyn are unemployed or underemployed. It is his policy to promote economic development as a means of creating more employment opportunities as well as promoting Brooklyn-based businesses, including those that qualify as MWBE and Locally-Based Enterprises (LBE). As new construction, this development provides an opportunity for the developer to retain Brooklyn-based contractors and subcontractors, especially those that are designated LBEs consistent with section 6-108.1 of the City's Administrative Code and MWBE establishments as a means to meet or exceed standards per Local Law 1 (not less than 20 percent participation). With the intended development, the Borough President believes that the developer should coordinate with an appropriate monitoring agency and that such standards be memorialized in the Land Disposition Agreement or Regulatory Agreement between the developer and HPD.

Housing Population in Need of Supportive Services

The Borough President believes that the best solution for individuals needing shelter who also require supportive services to maintain independent living is through permanent housing where such an apartment is pursuant to the execution of a lease. He believes that there is a need to move away from homeless shelters and transitional housing as the solution to homelessness. This section of Brooklyn has certainly its share of homeless shelters and transitional housing. The Borough President believes that steps need to be taken by all levels of government to reduce the reliance on such shelters and transitional housing through the creation of permanent supportive housing units. The City needs to replace the costly and cumbersome shelter system with a new model which is: more cost effective and prioritizes conversion of temporary housing into permanent housing. Producing permanent housing is less expensive, more stable housing stock to serve the homeless population. As more permanent units come online, steps should be taken to reduce the capacity of area shelters and transitional housing accommodations in this community.

Exploring the Appropriateness of Increasing Density along Broadway

The Borough President supports the Mayor's intent to achieve 200,000 affordable housing units over the next decade. He believes that the Broadway transit corridor is an appropriate place to consider amending the zoning to permit residential density. The CD 3 section of Broadway had previously seen its residential zoning increased by approximately 50 percent. He believes that such zoning might be just as appropriate for section of Broadway in CDs 1, 4 and 16 extending from the Brooklyn-Queens Expressway to Broadway Junction. The Department of City Planning should give consideration to investigating the possibility of such a rezoning in consultation with CBs 1, 4 and 16.

RECOMMENDATION

Be it resolved that the Borough President of Brooklyn, pursuant to sections 197-c and 201 of the New York City Charter and Article 16 of General Municipal Law for New York State, recommends that the City Planning Commission and City Council approve the land use action requested according to the following conditions:

That the Department of Housing Preservation and Development incorporates in either the Regulatory Agreement or Land Disposition Agreement:

1. That both the supportive and non-supportive housing units be permanently affordable.

2. Require the project sponsor to retain Brooklyn-based contractors and subcontractors, especially those that are designated LBEs consistent with section 6-108.1 of the City's Administrative Code and MWBE establishments as a means to meet or exceed standards per Local Law 1 (not less than 20 percent participation) and to coordinate the monitoring of such participation with an appropriate monitoring agency.

And that the City Council have such stipulations incorporated into such agreements prior to granting its approval.

Be it Further Resolved that:

1. The City and State work to reduce the capacity of area transition housing and homeless shelters by establishing more permanent supportive housing units.
2. The Department of City Planning undertakes, in Consultation with CBs 1, 4 and 16 and its Local Elected Officials, a zoning study that would considering whether to further extend the C4-4L district further along Broadway in Community Districts 1, 4 and 16.