



Brooklyn Borough President Recommendation

CITY PLANNING COMMISSION
120 Broadway, 31st Floor, New York, NY 10271
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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

737 FOURTH AVENUE REZONING – 200029 ZMK, 200030 ZRK

Applications submitted by 737 Fourth Avenue LLC, pursuant to Sections 197-c and 201 of the New York City Charter, for a zoning map amendment to change the eastern side of Fourth Avenue between 24th and 25th streets from M1-1D to R8A/C2-4, a zoning map amendment to extend the existing Special Enhanced Commercial District (EC-1) to this block of Fourth Avenue, and a zoning text amendment to designate the rezoning area a Mandatory Inclusionary Housing (MIH) area. Such actions are intended to facilitate a 14-story, mixed-use development with 142 dwelling units and ground-floor retail, in Brooklyn Community District 7 (CD 7). Approximately 35 units would be affordable to households at 60 percent of Area Median Income (AMI) pursuant to MIH Option 1. The building would also provide approximately 45 below-grade accessory off-street parking spaces.

BROOKLYN COMMUNITY DISTRICT NO. 7

BOROUGH OF BROOKLYN

RECOMMENDATION

APPROVE

APPROVE WITH

MODIFICATIONS/CONDITIONS

DISAPPROVE

DISAPPROVE WITH

MODIFICATIONS/CONDITIONS

SEE ATTACHED

Ethi L. Adams

December 31, 2020

BROOKLYN BOROUGH PRESIDENT

DATE

RECOMMENDATION FOR: 737 FOURTH AVENUE REZONING – 200029 ZMK, 200030 ZRK

737 Fourth Avenue LLC submitted applications pursuant to Sections 197-c and 201 of the New York City Charter, for a zoning map amendment to change the eastern side of Fourth Avenue between 24th and 25th streets from M1-1D to R8A/C2-4, a zoning map amendment to extend the existing Special Enhanced Commercial District (EC-1) to this block of Fourth Avenue, and a zoning text amendment to designate the rezoning area a Mandatory Inclusionary Housing (MIH) area. Such actions are intended to facilitate a 14-story, mixed-use development with 142 dwelling units and ground-floor retail, in Brooklyn Community District 7 (CD 7). Approximately 35 units would be affordable to households at 60 percent of Area Median Income (AMI) pursuant to MIH Option 1. The building would also provide approximately 52 below-grade accessory off-street parking spaces.

On November 10, 2020, Brooklyn Borough President Eric Adams held a remote public hearing on these zoning map and text amendments. There were 38 speakers on the item, with 32 in opposition including a local elected official, and six in support including members of 32BJ Service Employees International Union (SEIU).

Speakers in opposition raised concerns about the following:

- The insufficient level of community benefit regarding the projected number of affordable and market-rate units
- The anticipated AMIs and the need for deeper affordability to match community demand
- The project's potential to exacerbate ongoing gentrification and displacement of low-income residents as well as local businesses
- Current threats to tenants in non-regulated housing including rent burden and eviction
- The proposed development's height and scale

Speakers in support called attention to the following:

- The need for more housing in the area, specifically permanently affordable units
- The fact that the project would not rely on government subsidies
- The developer's commitment to provide building service jobs at prevailing wages
- The potential for needed traffic safety improvements at this intersection and the addition of new bicycle stations

In response to Borough President Adams' inquiry regarding the qualifying income range for prospective households based on household size, the anticipated rents based on the number of bedrooms, and the distribution of units by bedroom size, the applicant stated that the MIH units would include one-, two-, and three-bedrooms, which would be targeted to households at 30 to 60 percent AMI. Rents would range from \$503 to \$1,143 for a one-bedroom unit, \$598 to \$1,366 for a two-bedroom unit, and \$683 to \$1,570 for a three-bedroom unit.

In response to Borough President Adams' inquiry as to whether one of the community's affordable housing administering agents would be used in the tenant selection process in order to ensure the highest level of participation from Brooklyn Community District 7 (CD 7) residents, and whether the applicant's marketing strategy would include a financial literacy campaign to assist local residents in becoming lottery-eligible, the applicant stated intent to retain the Fifth Avenue Committee (FAC) as the administrative and marketing agent. FAC will work with the community board and Borough President Adams' office to set up multilingual marketing sessions and financial literacy trainings.

In response to Borough President Adams' inquiry as to what consideration has been given to setting aside a portion of the represented ground floor and/or space for the Metropolitan Transportation Authority (MTA) access easement as affordable long-term and/or interim space for local arts and cultural uses, as

well as local retail and small businesses, the applicant expressed interest in turning the easement space into a temporary art installation or non-profit use, and engaging in discussion with local arts groups.

In response to Borough President Adams' inquiry regarding the incorporation of sustainable features such as passive house design, New York City Department of Environmental (DEP) rain gardens, and wind turbines, the applicant stated intent to integrate stormwater management measures including bioswales and green roofs, as well as a possible retention tank in the cellar to address local runoff. The development would also pursue Leadership in Energy and Environmental Design (LEED) certification.

In response to Borough President Adams' inquiry regarding the inclusion and participation of locally-owned business enterprises (LBEs) and minority and women-owned business enterprises (MWBES) in the construction process, the applicant stated intent to partner with Brooklyn Workforce Innovations (BWI), which would provide skills-based training to local residents, and Crescent Consulting, which would ensure local hiring and contracting on the project. The applicant has also made a commitment to 32BJ SEIU to provide union jobs.

Prior to the hearing, Borough President Adams received testimony from two local residents, in opposition, and an independent financial analysis of the project. Subsequently, Borough President Adams received further testimony in opposition from three individuals, elaborating on issues cited during the hearing.

Prior to the hearing, Borough President Adams also received testimony from 17 individuals in support, citing the need for new affordable housing and elevator access to MTA stations. Subsequently, he received additional testimony in support from 20 residents and business owners.

Subsequent to the hearing, Borough President Adams received a letter from the applicant, dated December 31, 2020, with additional commitments regarding the MIH affordable housing component.

Consideration

On November 16, 2020, Brooklyn Community Board 7 (CB 7) voted to approve this application with the following conditions:

That the developer, 737 Fourth Avenue LLC:

- Provide a number of units and affordability tiers that directly address household incomes in CD 7 beyond MIH Option 1, with a tier that reaches down to at least 30 percent AMI
- Start outreach efforts with FAC, in the district's four primary languages, as soon as possible to ensure that half of the proposed affordable units are filled by CD 7 residents
- Provide two- and three-bedroom units for families as part of the affordable unit count
- Commit to inclusion of minority- and women-owned businesses in the construction, maintenance, and procurement with special preference for CD 7 local businesses
- Commit to local hiring for construction jobs and apprenticeship programs to create employment pathways for Sunset Park residents
- Commit to universal design principles with full accommodation for seniors and persons with disabilities; set aside a number of units for such households proportionate to community preference requirements
- Commit to incorporating sustainable design practices such as landscape water management (including a vegetative roof), reduced stormwater outflow, and green infrastructure
- Comply with energy efficiency local laws, in particular LL 97, and meet the 2030 requirements as soon as the building receives its Temporary Certificate of Occupancy (TCO)
- Commit to leasing the ground floor commercial space to neighborhood retail uses; provide a transparent storefront design and avoid use of exterior mounted security grilles

- Provide a written commitment to CB 7 not to flip the development to homeless shelter occupancy during construction or at completion

CB 7 also called on the City Planning Commission (CPC) to further consider measurement and analysis of the project's ethnic and racial impacts as part of its approvals process.

The proposed actions would affect two applicant-owned properties known as 731 and 737 Fourth Avenue. The initial development site is an approximately 15,000 square foot (sq. ft.) corner lot with 100 feet of frontage on 25th Street and 150 feet along Fourth Avenue. It is occupied by a one-story, approximately 4,770 sq. ft. eating and drinking establishment, with an accessory parking lot. It occupies 0.32 floor area ratio (FAR) and dates to 2002. The site provides one curb cut on 25th Street and two on Fourth Avenue. The adjacent 731 Fourth Avenue lot, at the corner of 24th Street, is an approximately 5,000 sq. ft. lot with 50 feet of frontage on Fourth Avenue and 100 feet along 24th Street. It is occupied by a 0.86 FAR, approximately 4,320 sq. ft., one-story commercial building containing a cellular phone store, an eating and drinking establishment, and a vacant restaurant. The building includes one or more leases that precludes the expectation of near-term development though would be expected to be redeveloped after the expiration of the longest lease. Together, 731 and 737 Fourth Avenue comprise the entire eastern frontage of Fourth Avenue between 24th and 25th streets.

The underlying zoning is an M1-1D light manufacturing district mapped between Fourth and Fifth avenues from 24th Street to midblock between 28th and 29th streets. M1 zoning permits a FAR of 1.0 for commercial uses. The proposed rezoning would extend an R8A/C2-4 and the coterminous EC-1 district mapped along the east side of Fourth Avenue, from Pacific Street to 24th Street over the project area.

Currently, the applicant is seeking to redevelop the 737 Fourth Avenue site into a 7.2 FAR, approximately 108,120 sq. ft. 14-story building with a base height of 105 feet (excluding permitted dormers) and a maximum height of 145 feet. The mixed-use development is represented to contain nearly 100,000 sq. ft. of residential space and an 8,585 sq. ft. commercial ground floor with 52 accessory parking spaces in the cellar and 78 bicycle parking spots. According to the project's Environmental Assessment Statement (EAS), 731 Fourth Avenue would be developed pursuant to R8A/C2-4 zoning into a 130-foot tall mixed-use building represented with 33,000 sq. ft. of residential space, and 3,120 sq. ft. of local retail, containing an estimated 47 dwelling units, of which 12 would be permanently affordable pursuant to MIH Option 1.

The surrounding area hosts a mix of building types and uses. Beyond the R8A district, medium-density R6A and R6B districts are mapped along parts of Third, Fifth, and Sixth avenues. The Southwest Brooklyn Industrial Business Zone (IBZ), which contains a large proportion of Sunset Park's job-producing uses, extends for dozens of blocks along Third Avenue and covers the entire Sunset Park waterfront. The closest open space resource is Green-Wood Cemetery, the main entrance of which is on Fifth Avenue and 25th Street. Notable community facilities include several houses of worship and public schools. Recent construction focused primarily along Fourth Avenue has brought high-rise mixed-use buildings to the area.

Brooklyn is one of the fastest growing communities in the New York metropolitan area and the ongoing Brooklyn renaissance has ushered in extraordinary changes that were virtually unimaginable even a decade ago. Unfortunately, Brooklyn's success has led to the displacement of longtime residents who can no longer afford to live in their own neighborhoods. Borough President Adams is committed to addressing Brooklyn's affordable housing crisis through creation and preservation of housing units for very low- to middle-income households.

Moreover, in CD 7 and across New York City, there is a pressing need for affordable and stable housing among elderly adults, homeless households, low-income families, and other populations. Increasing the supply of affordable apartments for a range of incomes and household types in mixed-use buildings is a critical strategy for promoting a sustainable neighborhood and city.

Borough President Adams supports the development of underutilized land for productive uses that address the City's need for additional affordable housing. The proposed development would be consistent with Mayor Bill de Blasio's goal of achieving 300,000 affordable housing units over the next decade, according to "Housing New York: A Five-Borough, Ten-Year Plan," as modified in 2017. It is Borough President Adams' policy to support the development of affordable housing and seek for such housing to remain "affordable forever," wherever feasible.

Based on MIH Option 1, the development rights generated from the proposed rezoning would result in, at minimum, 25 percent of the residential floor area designated as permanently affordable. According to the applicant, 35 of the 142 units at 737 Fourth Avenue would be pursuant to MIH. The application's EAS estimates that the 731 Fourth Avenue/24th Street site would yield 47 apartments, of which 12 would be MIH units. Development adhering to the MIH program is consistent with Borough President Adams' policy for affordable housing to remain in perpetuity.

The MIH program targets affordable housing units to a broad range of incomes, consistent with his objective to extend such opportunities to households at various AMI tiers. Borough President Adams supports developments that allow low-, moderate-, and middle-income residents to qualify for the City's affordable housing lottery. The proposed rezoning leading to redevelopment of 731 and subsequently 737 Fourth Avenue, would gear apartments to households at multiple income tiers, which would remain permanently affordable. In addition, MIH Option 1 requires that 40 percent of the affordable housing floor area be affordable to those earning up to 40 percent AMI.

Borough President Adams believes that it is appropriate to zone for increased density in proximity to public transportation. The development site is located adjacent to the Queens Boulevard/Broadway/Fourth Avenue Local R train at 25th Street station. The nearest buses are the B37, which stops at Third Avenue and 25th Street, and the B63, which stops at Fifth Avenue and 24th Street. There are also express buses that provide service to Downtown Brooklyn and Manhattan.

Borough President Adams acknowledges community concern that developments without 100 percent affordable housing for low-income residents can result in secondary displacement. While he agrees that 100 percent affordable housing development is much needed, it is not realistic to expect such outcomes on private land. City-owned land provides the most viable opportunity to realize fully affordable projects, though they still require significant government subsidies, even without the cost of land.

CD 7 does not have an inventory of City-owned residentially zoned properties for achieving such objectives. The FAC joint development with the Brooklyn Public Library (BPL) was a unique solution that fully realized zoning floor area to achieving 100 percent affordability. This required even more subsidies as it necessitated a new library branch structure. In response to the dearth of affordable housing development opportunities in CD 7 Borough President Adams has noted, initially as part of his "Housing Brooklyn – a Road Map to Real Affordability for Brooklynites" and then in his Uniform Land Use Review Procedure (ULURP) recommendation for Industry City, the opportunity to build over the Brooklyn Army Terminal (BAT)'s parking lot's Second Avenue frontage as well as the MTA's 38th Street rail yard. However, development on government-owned assets and implementation of preservation-based initiatives still need to leverage increased zoning rights for public purposes, in this case, permanently affordable housing floor area.

Borough President Adams notes that expanding the supply of market-rate housing while achieving a modest increase in the number of rent-regulated housing units would bring a proportionate number of higher-income earners to the neighborhood. However, without MIH development, wealthier households would continue to price tenants out of non-regulated housing stock. Borough President Adams believes that it is necessary to pursue housing options for those of means to avoid incentivizing rent increases that lead to displacement. He acknowledges that properties on 24th and 25th streets near the project area would become more attractive to potential renters after the construction of the proposed and anticipated developments. He also expects that 737 Fourth Avenue would bring aesthetic, environmental, and social benefits to the immediate area that would be beneficial to local landlords. However, claims of widespread gentrification as a result of such enhancements have not been sustained.

While, ideally, there would be greater opportunities for rent-burdened and severely rent-burdened residents to remain in Greenwood Heights and nearby Sunset Park, the recently rezoned 312 Coney Island Avenue and 57 Caton Place sites in Windsor Terrace would eventually provide affordable housing opportunities with 50 percent community preference for CD 7 households. While the remaining units are more likely to be offered to applicants outside the district, CD 7 residents, including those experiencing rent insecurity, should be encouraged to apply for such units via Housing Connect.

Borough President Adams is generally supportive of the proposed rezoning to R8A/C2-4 MIH to initiate 737 Fourth Avenue's development and provide an expectation of redevelopment at 731 Fourth Avenue. However, he is concerned that the degree of represented public benefit, in the form of MIH Option 1, is insufficient to justify the increase in development rights. He believes that the approval of high-density residential zoning should be predicated on an additional commitment of deeply affordable floor area. In addition, he seeks a more family-oriented bedroom mix with deeply affordable smaller apartments targeted to seniors, maximum community participation in the affordable housing, dedicated commercial space for local arts/cultural groups and immigrant-owned businesses, dedicated space for car-share vehicles in the development's garage, the incorporation of resilient and sustainable features including rain gardens, advancement of Vision Zero policies, and a high level of local and MWBE hiring for the project. Finally, he calls on the Administration to extend community preference to families of homeless students in local schools and qualify rent-burdened households for affordable housing lotteries.

Ensuring an MIH Option that Provides Significantly for Very Low-Income Households

Borough President Adams has heard a great deal of concern about ongoing gentrification and displacement in Greenwood Heights and Sunset Park. The influx of wealthier individuals to the area, together with increased land values, has led to the replacement of longtime, low-income tenants, with new residents able to pay higher rents. For households in non-regulated housing there is little recourse beyond targeted downzoning, which may slow the pace of property turnover and new construction by reducing development rights. It should be noted that even regulated buildings do not provide permanent protection from displacement. According to the NYU Furman Center's CoreData, Sunset Park contains approximately 30 buildings with regulatory agreements governing 333 units that were set to expire in 2019. Without further action, some tenants may lose subsidies that made such housing affordable, and others might still be subject to eviction by lawful demolition eviction.

Data shows that more than 80 percent of New York City households earning 50 percent AMI or less are rent-burdened. The situation is even worse among those who earn up to 30 percent AMI or \$23,310 for a family of three. More than one-fifth of New York City households — over two million people — earn less than \$25,000 a year and almost one-third earn less than \$35,000. Well over 50 percent of this population pays more than half its income toward rent. As the City's housing crisis deepens, the burden falls most heavily on low-income New Yorkers, including many senior citizens.

Within CD 7, a significant number of households in regulated and unregulated housing pay too much of their income toward rent. According to the Association for Neighborhood Housing and Development (ANHD), 56 percent of households in CD 7 are rent-burdened. An analysis by the Institute for Children, Poverty & Homelessness (ICPH) found that 31 percent of households in CD 7 spend 50 percent or more of their income on rent, making them severely rent-burdened. ANHD also found that, among the City's community districts, CD 7 has the second highest number of serious housing code violations. Taken together, these facts point to a dual housing affordability and quality crisis in Sunset Park, whereby too many households are paying too much to live in substandard accommodations. There is thus a pressing need to increase the supply of safe, affordable housing in Sunset Park and CD 7.

Finally, Sunset Park has a dearth of City-owned properties, which could be utilized to grow its low-income housing stock. Several years ago, in an effort to secure a larger, state-of-the-art public library, the New York City Department of Housing Preservation and Development (HPD) worked with the Brooklyn Public Library (BPL) and FAC to realize 51 units of affordable housing at 5108 Fourth Avenue. The South Slope and Sunset Park rezonings, adopted by the City Council in 2005 and 2009, respectively, provided voluntary zoning incentives for development sites along Fourth and Seventh avenues. Over time, redevelopment of properties with a Voluntary Inclusionary Housing (VIH) bonus could result in the provision of several hundred affordable housing units. In Windsor Terrace, an MIH rezoning at 57 Caton Place was projected to add 27 affordable housing units, and a recently adopted proposal at 312 Coney Island Avenue is expected to generate 70 affordable units.

Unfortunately, even if all such affordable apartments were realized, it would not come close to meeting current need. Therefore, as applications such as this proposal to enable development at 737 Fourth Avenue and potential development at 731 Fourth Avenue move through the ULURP process, it is important to ensure that the required affordable housing meets the most pressing community needs. The MIH obligation provides opportunities to maximize permanently affordable floor area for low-income households.

The New York City Zoning Resolution (ZR) specifies four options for new construction subject to MIH regulations. As stated at Borough President Adams' hearing, 737 Fourth Avenue would incorporate MIH Option 1, which sets aside 25 percent of the floor area for households earning an average of 60 percent AMI, with 10 percent (40 percent of the affordable housing units) reserved for those at 40 percent AMI. However, given the number of very low-income and severely rent-burdened households in the area, Borough President Adams believes that MIH Option 1 alone would not provide deeply affordable housing to those in greatest need, including many Sunset Park residents who would have community preference for the 737 Fourth Avenue MIH lottery.

737 Fourth Avenue LLC has stated on record that its affordable units would be offered at income tiers between 30 percent and 60 percent AMI. In the letter to Borough President Adams dated December 31, 2020, 737 Fourth Avenue LLC clarified that the 25 percent of the residential floor area pursuant to MIH would be affordable at an overall average of approximately 48 percent AMI, rather than the standard MIH Option 1 60 percent requirement. The applicant also confirmed intent to memorialize the affordability mix in a community benefits agreement with FAC that would bind any successor owners of the property.

While the developer appears to recognize the need for deeply affordable housing in this severely rent-burdened community, Borough President Adams believes that the initial 737 Fourth Avenue and pending Fourth Avenue/ 24th Street developments could do more to help neighborhood families most at risk of displacement. Lower-income households are more likely to need affordable housing as they tend to be disproportionately rent-burdened. Targeting apartments to very low-income households allows seniors, especially those living alone, to qualify for affordable housing lotteries. CB 7 has expressly stated that this development should provide deeply affordable housing to households earning 30 percent AMI and less. As community preference provides an opportunity to award 50

percent of the units to CD 7 residents, Borough President Adams concurs that ensuring affordable housing opportunities for very low-income residents would maximize the development's public purpose and benefit to the community. Consistent with CB 7's resolution, he seeks assurance that 737 Fourth Avenue and the subsequent 731 Fourth Avenue/24th Street development would generate affordable housing pursuant to MIH Option 3.

Therefore, prior to considering the application, the City Planning Commission (CPC) and/or City Council should obtain written commitments from the developer, 737 Fourth Avenue LLC, to provide permanently affordable housing according to MIH Option 3.

Provision of Appropriate Affordable Housing Floor Area

Borough President Adams believes that significant upzonings should yield more affordable housing than rezonings that do not provide a comparable increase in density. Throughout his term, he has considered requests for substantial bulk increases that resulted in the development of 100 percent affordable housing. For other upzoning requests, he has consistently called for applicants to exceed MIH by providing additional affordable housing floor area and/or more deeply affordable units.

The primary benefit of the proposed rezoning is in the mandatory provision of MIH floor area, with the added Option 1 requirement of a 40 percent AMI tier. Borough President Adams believes that such public purpose falls well short of capturing the added value of market-rate floor area that results from converting low-density manufacturing land to higher-density residential use. Upzoning from an M1-1D district, which does not permit housing construction, to an R8A MIH district, with its maximum FAR of 7.2, results in a windfall of development rights beyond the standard public benefit attributed to MIH. Such a change of use and FAR increase incentivizes significant market-rate development in comparison to what is permitted as-of-right. There is thus a significant difference between drastic upzonings, such as what is proposed in this application, and more modest upzonings, which convert lower-density contextual districts to higher density ones. Additionally, any zoning district in excess of R6A lacks leverage through MIH to induce more affordable housing floor area. The proposed rezoning would thus substantially enrich the project area with residential development rights without any obligation to provide greater affordability.

As this inequity cannot be rectified directly through MIH, Borough President Adams believes that increasing the number of affordable units while lowering the target household incomes is possible by blending what is required according to the MIH option, with a voluntary special bulk permit. However, seeing as the ZR does not provide for such a special permit, he believes that an applicant could achieve equivalent public benefit through a legally binding mechanism.

Borough President Adams believes that in order to justify an R8A MIH district at this site, the developer should commit to providing additional, more deeply affordable floor area in tandem with his recommendation of a rent roll based on MIH Option 3.

In order to determine the appropriate amount of excess affordable housing floor area, it is helpful to calculate the site's development potential according to two residential zoning districts, the aforementioned R8A MIH and the lower density R7A MIH, which stipulates a FAR of 4.6. The existing M1-1D zoning permits only 1.0 FAR or approximately 20,000 sq. ft. of non-residential development. However, under the proposed R8A MIH zoning, the project area would achieve approximately 144,240 sq. ft. of total development rights. At 737 Fourth Avenue, 99,534 of 108,118 sq. ft. would be residential floor area (including MIH), with the rest reserved for commercial use. According to the EAS, the eventual 731 Fourth Avenue/24th Street site was represented as resulting in 33,122 sq. ft. of residential use, and 3,000 sq. ft. of retail stores.

Borough President Adams believes that a portion of these rights might be reasonably used to advance additional public benefit. Based on the information above, the project area would provide 132,656 sq. ft.

of residential use, of which 33,164 would constitute the MIH Option 1 obligation. Mapping MIH Option 3 instead would reduce the affordable floor area from 25 percent to 20 percent, or 26,531 sq. ft. but ensure more deeply affordable units. With R8A zoning and MIH Option 3, the developer would realize 41,671 sq. ft. more market-rate floor area than if the site were zoned R7A MIH, with Option 3.

Borough President Adams believes that the 2.6 increment between R7A and R8A should yield additional affordable floor area to increase the project's public benefit. He therefore seeks to set aside 40 percent of the 2.6 FAR increment between R7A MIH and R8A MIH for permanently affordable housing in lieu of the Option 3 20 percent residential floor area requirement. These units would be offered at Option 1 AMIs and rents, which typically provides for 40 percent targeted to households earning 40 percent AMI and made affordable in perpetuity.

The additional 20 percent increment of 2.6 FAR on both sites would yield approximately 10,417.68 sq. ft. of affordable housing floor area leased on 60 percent AMI basis beyond the 19,907 sq. ft. pursuant to MIH Option 3 at 737 Fourth Avenue and 6,624 sq. ft. projected for the 731 Fourth Avenue/24th Street site. The added affordable housing obligation rented per MIH Option 1 average rents could be incorporated at 737 Fourth Avenue or proportionally represented at both the immediate and expected development sites.

Linking a substantial amount of market-rate floor area in excess of R7A MIH to the developer benefit of a zoning district with the higher R8A MIH FAR, would provide sufficient incentive for the developer to seek such a zoning district, while generating the publicly desired affordable housing. Such affordable housing floor area — both the standard MIH requirement and additional area noted above — should also provide a more family-oriented bedroom mix with a greater proportion of two and three-bedroom units.

Therefore, in order to meet the threshold of public benefit necessary for the approval of R8A MIH zoning, any FAR increment in excess of R7A MIH should require provision of affordable housing floor area at a rate of 40 percent in lieu of the standard MIH Option 3 of 20 percent floor area requirement, with permanent affordability. The developer should be required to memorialize the additional 2.6 FAR with 40 percent as permanently affordable and average rent for floor area not exceeding 60 percent AMI standards. Borough President Adams believes that the CPC and/or City Council should stipulate that the requested R8A MIH zoning district be conditioned on a legal mechanism that commits a combined extra 10,417.68 sq. ft. of affordable housing floor area at 737 Fourth Avenue and the 731 Fourth Avenue/24th Street lot, at an average rent of 60 percent AMI. The City Council should obtain a written intent from 737 Fourth Avenue LLC to file a legally binding mechanism that commits an increased percentage of permanently affordable housing floor area for both properties.

Bedroom Mix

A recent report has identified that rent-burdened households, which typically represent those applying to the City's affordable housing lotteries, are more likely to require family-sized units. Therefore, Borough President Adams seeks for new developments to achieve an affordable unit mix that would adequately reflect the needs of low- to middle-income rent-burdened families. While 737 Fourth Avenue LLC has not disclosed the exact bedroom mix, it was represented that the development would contain one-bedroom, two-bedroom, and three-bedroom units. Pursuant to MIH Option 1, a number of these apartments would be reserved for households at 40 percent AMI.

Borough President Adams believes that right-sizing the bedroom distribution within the affordable housing floor area is more important than maximizing the number of MIH units. Though the applicant expressed intent to have larger size units, development pursuant to MIH lacks leverage to require that the development's MIH units include apartments with multiple bedrooms. As such, Borough President Adams believes that it is appropriate to use discretionary land use actions to advance policies that constrain what would be permitted as-of-right.

The ZR allows for the provision of at least 50 percent of the MIH units with two or more bedrooms and at least 75 percent with one or more bedrooms. For this building, it is important to mandate that the developer provide affordable housing pursuant to ZR Section 23-96(c)(1)(ii). This would require at least 50 percent of the units to be two- or three-bedrooms and at least 75 percent of the units to contain one or more bedrooms. The application's representation of 142 apartments, with 35 affordable units at 737 Fourth Avenue and 47 apartments with 12 affordable units for the 731 Fourth Avenue/24th Street development is not binding.

Moreover, as the 737 Fourth Avenue's affordable bedroom mix has not been disclosed, it is not consistent with Borough President Adams' policy to ensure family-oriented units for low- to moderate-income households. As the anticipated development site at 731 Fourth Avenue and 24th Street is not near-term, the developer has made no representation of any bedroom mix for that second site.

Borough President Adams seeks a binding commitment to secure what has been represented to the community. Therefore, prior to considering the application, the City Council should obtain written commitments from the applicant, 737 Fourth Avenue LLC, to provide a bedroom mix of at least 50 percent two- or three-bedroom affordable housing units, and at least 75 percent one-, two-, or three-bedroom affordable housing units for the 737 Fourth Avenue units, as well as the projected 731 Fourth Avenue/24th Street development..Moreover, the City Council should seek assurance that the developer would maintain such affordable bedroom mix if the requested zoning is modified to a lower-density district.

Maximizing Affordable Housing Opportunities for Senior Households

In addition to addressing the need for family-sized units, there is a pressing need for affordable apartments for the aging population, many of whom have limited financial means. Older New Yorkers are a rapidly growing segment of the city's population, with more than 300,000 seniors residing in Brooklyn alone. As noted in the New York City Department of City Planning (DCP)'s "Zoning for Quality and Affordability" (ZQA) study, New York's senior population is expected to grow 40 percent by 2040. According to the study, there were 60 applicants for every apartment in lotteries conducted by HPD for senior housing developments. A recent study by LiveOn NY found that there are 200,000 New Yorkers aged 62 and older on the City's affordable housing waiting lists, with an average wait of seven years.

As a significant number of elderly households have negligible income, providing opportunities for area seniors to secure quality affordable housing and remain in their communities is a priority for Borough President Adams. In an era in which the Federal government has moved away from funding affordable housing for seniors, too few affordable apartments for seniors are being produced, leaving tremendous demand for age-based affordable housing in Brooklyn. As a result, many elderly households are experiencing increased rent burden to remain in their homes, exhausting their life savings just to keep up with day-to-day living until they are unable to remain in the area where they have lived for many years.

While Borough President Adams typically seeks a 50/50 blend of studios, one-bedrooms, two-bedrooms, and three-bedrooms, he believes that when studio and one-bedroom units are rented at 30, 40, and 50 percent AMI, such apartments might be more affordable to senior households. Additionally, Borough President Adams believes that there are appropriate means to assist senior citizen households in becoming eligible for the affordable housing lottery. With such efforts, it is reasonable to expect that a greater share of smaller units at lower AMIs would be awarded to senior households.

Therefore, prior to considering the application, the City Council should obtain written commitments from 737 Fourth Avenue LLC clarifying how it would implement outreach efforts to seniors, including those who are formerly homeless, to maximize their participation in the affordable housing lottery for both the 737 Fourth Avenue and the 731 Fourth Avenue/24th Street development sites.

Maximizing Community Participation in the Affordable Housing

The ZR requires inclusionary housing units to be overseen by a non-profit administering agent, unaffiliated with the for-profit developing entity, except when otherwise approved by HPD. Such an administering non-profit becomes responsible for ensuring that the affordable housing remains in accordance with its regulatory agreement, which governs the development's affordable housing plan. These tasks include verifying a prospective tenant household's qualifying income and approving the rents of such affordable housing units. The administering non-profit is responsible for submitting an affidavit to HPD attesting that the initial lease-up of the affordable housing units is consistent with the income requirements, as well as following up with annual affidavits to ensure compliance.

It is Borough President Adams' policy for housing non-profits to play a role in maximizing community participation in neighborhood affordable housing opportunities. He recognizes that CD 7 is served by several non-profit housing advocates with a proven track record of marketing affordable housing units and promoting lottery readiness through educational initiatives. The developer has expressed intent to retain FAC as the affordable housing administrator and marketing agent for the project. In this capacity, FAC would work with the community board to qualify Sunset Park and CD 7 residents for the 737 Fourth Avenue MIH lottery. This would involve holding three to four marketing sessions; conducting outreach in Spanish, Mandarin, Cantonese, Arabic, and English via newspaper/website ads and flyers; assisting people in completing Housing Connect or paper applications; applying for temporary identification numbers (TIN)s; gathering required documents, and ensuring that the MIH apartments remain permanently affordable. Such efforts should be undertaken in consultation with Borough President Adams' office, CB 7, and/or local elected officials.

Borough President Adams believes that prior to considering the application, the City Council should obtain commitments in writing from the applicant, 737 Fourth Avenue LLC, clarifying how it would memorialize utilizing one or more locally affordable housing non-profits to serve as the administering agent for both 737 Fourth Avenue and any subsequent redevelopment at 731 Fourth Avenue and 24th Street, and/or have such entities play a role in promoting affordable housing lottery readiness.

Setting Aside a Portion of the Commercial Space for Local Arts/Cultural and Non-Profit Organizations and/or Immigrant-Owned Businesses

It is one of Borough President Adams' policies to assist community-based non-profit organizations with securing affordable space in the borough. These organizations play an important role in the neighborhoods they serve but often struggle to obtain the necessary space to expand and sustain their programs. Many cultural entities have contacted the Office of the Brooklyn Borough President with these concerns. It has been Borough President Adams' policy to review discretionary land use actions for opportunities to promote cultural and non-profit uses.

In June 2016, Borough President Adams released "All the Right Moves: Advancing Dance and the Arts in Brooklyn," a report examining challenges for artists in the borough, with accompanying recommendations. The report highlighted the benefits of arts and dance, which include maintaining physical fitness, promoting creative self-expression, and making significant contributions to the vibrant culture of Brooklyn. Among the difficulties faced by the Brooklyn arts community is an absence of diversity — according to 2000 United States Census data, fewer than half the individuals working in dance are people of color. Additionally, public funding for the arts in New York City has shrunk dramatically in recent years: by 37 percent from the New York State Council of the Arts (NYSCA), by 15 percent from the National Endowment for the Arts (NEA), and by 16 percent from the New York City Department of Cultural Affairs (DCLA).

Data shows that cultural programs generate a variety of positive effects, which include combating the borough's high rate of obesity. As of 2016, 61 percent of Brooklyn adults are overweight or obese, according to the New York State Department of Health (NYSDOH). Research by the Citizens' Committee for Children of New York has found that such activities also help children succeed in school. Moreover,

demand for cultural programs continues to grow across Brooklyn. A 2015 report by the Center for an Urban Future (CUF) found a 20 percent increase in attendance at events organized by local cultural institutions since 2006.

Borough President Adams believes that the inclusion of arts and cultural entities and non-profit organizations at 737 Fourth Avenue would provide enrichment to the community. The development's location is advantageous given the area's considerable residential density, and the high proportion of youth in CD 7. If the proposed rezoning is approved, the 737 Fourth Avenue development would realize an unfunded opportunity to provide elevator access at the 25th Street station. The represented drawings include a constructed volume for eventual utilization by the MTA. Rather than have such space sit empty until MTA is ready to advance elevator access, Borough President Adams believes that such space should be turned into an interim community asset. For example, it could be marketed at no or nominal cost to local arts and cultural groups and/or community organizations. However, he is aware that such entities cannot afford to compete with retailers who could pay higher rents to lease at this location.

Borough President Adams is also concerned about immigrant-owned businesses, which are a vital part of their communities but easily displaced by rising commercial rents. For immigrant households, operating a retail store is an important and viable way to earn a living, as it poses relatively low barriers to entry. According to a recent report by the Citizens Planning and Housing Council (CPHC), immigrants own more than half of the city's small businesses but 77 percent are burdened by commercial rents. Financial hardships threaten the livelihood of such enterprises, which are often family-owned operations with limited capital and resources. Borough President Adams recognizes the importance of supporting immigrant-owned businesses and seeks to secure opportunities for immigrant entrepreneurship through the creation of affordable commercial space.

Therefore, prior to considering this application, the City Council should obtain written commitments from the developer, 737 Fourth Avenue LLC, clarifying how a portion of the easement volume reserved for the MTA would be set aside for non-profit and/or arts and cultural organizations, and/or immigrant-owned businesses, at below-market lease terms, as warranted.

Furthermore, to the extent that the City Council seeks to secure below-market rents to accommodate such non-profit and/or arts and cultural organizations, 737 Fourth Avenue LLC should actively solicit such entities, based on reasonable lease terms, in consultation with CB 7 and local elected officials.

Advancing Resilient and Sustainable Energy and Stormwater Management Policies

It is Borough President Adams' policy to advocate for promoting environmentally-sustainable development that integrates blue/green/white roofs, solar panels, and/or wind turbines, as well as passive house construction. Such measures tend to increase energy efficiency and reduce a building's carbon footprint.

In the fall of 2019, the City Council passed Local Laws 92 and 94, which require that newly-constructed roofs, as well as existing roofs undergoing renovation (with some exceptions), incorporate a green roof and/or a solar installation. The laws further stipulate 100 percent roof coverage for such systems and expand the City's highly reflective (white) roof mandate. Borough President Adams believes that developers should seek to exceed this mandate by integrating blue roofs with green roof systems. With regard to solar panels, there are now options beyond traditional roof installation. Multiple companies are manufacturing solar cladding from tempered glass that resembles traditional building materials, with energy output approximating that of mass-market photovoltaic systems. For taller buildings, and those in proximity to the waterfront, micro wind turbines can provide effective sustainable energy generation. Finally, passive house construction achieves energy efficiency while promoting locally-based construction and procurement.

Borough President Adams recognizes that the applicant has expressed intent to achieve an energy-efficient building envelope at 737 Fourth Avenue and seek LEED certification. He believes it is appropriate for 737 Fourth Avenue LLC to engage the Mayor's Office of Sustainability, the New York State Energy Research and Development Authority (NYSERDA), and/or the New York Power Authority (NYPA), to give consideration to government grants and programs that might offset costs associated with enhancing the resiliency and sustainability of this development site. One such program is the City's Green Roof Tax Abatement (GRTA), which provides a reduction of City property taxes by \$4.50 per sq. ft. of green roof, up to \$100,000. The DEP Office of Green Infrastructure advises property owners and their design professionals through the GRTA application process. Borough President Adams encourages the developer to reach out to his office for any help in opening dialogue with the aforementioned agencies and further coordination on this matter.

As part of his flood resiliency policy, Borough President Adams encourages developers to introduce best practices to manage stormwater runoff, such as incorporating permeable pavers and/or establishing rain gardens that advance DEP's green infrastructure strategy. He believes that sidewalks with nominal landscaping and/or adjacent roadway surfaces could be transformed through the incorporation of rain gardens, which provide tangible environmental benefits through rainwater collection, improved air quality, and streetscape beautification. Tree plantings can be consolidated with rain gardens as part of a more comprehensive green infrastructure strategy. Where it is not advisable to remove existing street trees, there would be an opportunity to integrate stormwater retention measures into existing tree pits, with additional plantings, which would increase infiltration and make the site more pleasant for its users. In addition, blue/green roofs, permeable pavers, and rain gardens (including street tree pit enhancements) would help divert stormwater from the Owls Head Wastewater Treatment Plant.

The required Builders Pavement Plan for the proposed development provides an opportunity to install DEP rain gardens along the initial 737 Fourth Avenue development site's Fourth Avenue and 25th Street frontages, as well as the anticipated 731 Fourth Avenue and 24th Street site's frontages. The ZR requirement to plant street trees provides shade on excessively hot days, helps combat the urban heat island effect, and provides other aesthetic, air quality, and enhanced stormwater retention benefits. It should be noted that a rain garden would require a maintenance commitment and attention from the landlord. Maintenance includes cleaning out debris and litter that can clog the inlet/outlet and prevent proper water collection, regular inspection to prevent soil erosion, watering during dry and hot periods, and weeding to keep the plants healthy and uncongested for proper water absorption.

Borough President Adams believes that for both of its development sites, 737 Fourth Avenue LLC should consult with DEP, the New York City Department of Transportation (DOT), and NYC Parks regarding the inclusion of rain gardens integrated with street trees as part of a Builders Pavement Plan. Where the agencies have interest in implementing an enhancement, consultation should be initiated with CB 7 and local elected officials prior to taking action.

Therefore, prior to considering the application, the City Council should obtain written commitments from the applicant, 737 Fourth Avenue LLC, clarifying how it would memorialize integrating resiliency and sustainability features at its 737 Fourth Avenue and its 731 Fourth Avenue/24th Street development sites.

Advancing Vision Zero Policies

Borough President Adams supports Vision Zero policies, including practices that extend sidewalks into the roadway to shorten the path where pedestrians cross in front of traffic lanes. These sidewalk extensions, also known as bulbouts or neckdowns, make drivers more aware of pedestrians and encourage them to slow down at crossings.

In 2015, Borough President Adams launched his initiative Connecting Residents on Safer Streets (CROSS) Brooklyn. This program supports the creation of bulbouts or curb extensions at dangerous intersections

in Brooklyn. During the program's first year, \$1 million was allocated to fund five dangerous intersections in Brooklyn. With more curb extensions, seniors will benefit because more of their commutes will be spent on sidewalks, especially near dangerous intersections. At the same time, all users of the roadways will benefit from safer streets. This Fourth Avenue corridor is a designated New York City local truck route between Atlantic Avenue and 39th Street, with multiple intersections lacking stop signs or traffic lights. The busy intersection of 25th Street and Fourth Avenue draws significant foot traffic to/from local businesses and the 25th Street station. As the proposed development bring additional residents and visitors, it is essential to enhance pedestrian crossings at this intersection.

Borough President Adams also recognizes the importance of accommodating cyclists on Fourth Avenue. Bicycling safety measures such as protected bike lanes have been shown to improve overall safety on streets that carry a great deal of traffic. The recent implementation of a Fourth Avenue protected bike lane that extends from 65th Street to Barclays Center will safeguard cyclists who travel along this major transportation corridor. However, with the expansion of bike share to Sunset Park (anticipated in 2023), more bicycling infrastructure is needed to ensure safety for its users, especially along Third Avenue, which saw a rash of fatalities in 2020. In addition to more CitiBike docks, there is a general need for secure bike parking throughout the City. The proposed development will incorporate this feature in partnership with Oonee Pod. However, when built, it will be only the second secure bike facility in Brooklyn, with the other located at Atlantic Terminal. Borough President Adams supports such improvements and believes the City should fast-track their expansion to create a secure bike parking network.

Per his CROSS Brooklyn initiative, Borough President Adams believes there is an opportunity to enhance pedestrian safety by providing curb extensions and/or painted protected sidewalks on the east side of Fourth Avenue, where it intersects 24th and 25th streets.

Borough President Adams recognizes that the costs associated with the construction of sidewalk extensions can be exacerbated by the need to modify infrastructure and/or utilities. Therefore, where such consideration might compromise feasibility, Borough President Adams would urge DOT to explore the implementation of either protected painted sidewalk extensions defined by a roadbed surface treatment or sidewalk extensions as part of a Builders Pavement Plan. If the implementation meets DOT's criteria, the agency should enable 737 Fourth Avenue LLC to undertake such improvements after consultation with CB 7 and local elected officials as part of its Builders Pavement Plan for both the 737 Fourth Avenue building as well as the anticipated 731 Fourth Avenue development at the corner of 24th Street. The implementation of a sidewalk extension through roadbed treatment requires a maintenance agreement that indemnifies the City from liability, contains a requirement for insurance, and details the responsibilities of the maintenance partner. Borough President Adams would expect 737 Fourth Avenue LLC to commit to such maintenance as an ongoing obligation for each of its development sites.

Borough President Adams believes that prior to considering the application, the City Council should obtain written commitments from 737 Fourth Avenue LLC to coordinate CROSS Brooklyn implementation with DEP and DOT for the installation of a curb extension at the southeast corner of Fourth Avenue and 24th Street and the northeast corner of Fourth Avenue and 25th Street, either as part of a Builders Pavement Plan or as treated roadbed sidewalk extensions. The City Council should further seek demonstration of 737 Fourth Avenue LLC's commitment to enter into a standard DOT maintenance agreement for both intersections. Finally, DOT should confirm that implementation of such improvements would not proceed prior to consultation with CB 7 and local elected officials.

Promoting Access to Car-Share Vehicles

Borough President Adams supports the establishment of Transit Zones in the ZR to enable affordable housing development without the requirement to provide parking for such permanently affordable housing floor area. R8A districts mandate the provision of accessory parking for 40 percent of the market-rate units in a quality housing development. For 737 Fourth Avenue, this regulation would require the

developer to build 45 parking spaces. For the remaining site at Fourth Avenue and 24th Street, it is possible that the number of market rate units would be fewer than the number of units that would require parking.

Another way to address parking capacity is to take advantage of the growing trend of users who rely on access to car-sharing vehicles for their driving needs. A rental car can provide mobility in certain use cases, though it is not as flexible as having direct access to a car for a set amount of time and can be expensive for longer trips. Car rental requires, at minimum, a full day reservation as well as time and effort to access such facilities. However, there can be times when affordable access to automobiles would be considered a quality-of-life enhancement, even for households with higher discretionary income. Furthermore, research suggests that car-share availability reduces automobile use for individuals who already own cars, creating environmental benefits and reducing congestion. Borough President Adams believes that facilitating car-share at this location would benefit building occupants as well as nearby Greenwood Heights residents and those of surrounding communities.

According to ZR Section 36-46(a)(1), a car-sharing entity is permitted to occupy up to five parking spaces, though no more than 20 percent of all spaces in group parking facilities. As represented, the 737 Fourth Avenue development would contain 52 attended parking spaces. Borough President Adams believes that the proposed development could accommodate rentals by car-share operators based on reasonable pricing. Therefore, a portion of the 737 Fourth Avenue garage should be set aside for a limited number of car-share vehicles through dialogue with car-sharing companies.

The incorporation of car-sharing vehicles within the building's garage would require the developer to provide visible signage, per ZR Section 36-523, and to state the total number of parking spaces, as well as the maximum number of car-sharing vehicles.

Therefore, prior to considering this application, the City Council should obtain written commitments from the developer, 737 Fourth Avenue LLC, clarifying how it would engage car-sharing companies to lease multiple spaces within the garage.

Jobs

Borough President Adams is concerned that too many Brooklyn residents are currently unemployed or underemployed. It is his policy to promote economic development that creates more employment opportunities. According to the Furman Center's "State of New York City's Housing and Neighborhoods in 2017," double-digit unemployment remains a pervasive reality for several of Brooklyn's neighborhoods, with more than half of the borough's community districts experiencing poverty rates of nearly 20 percent or greater. The ongoing COVID-19 pandemic has only exacerbated widespread job insecurity. Prioritizing local hiring would assist in addressing this employment crisis. Additionally, promoting Brooklyn-based businesses, including those that qualify as LBEs and MWBEs, is central to Borough President Adams' economic development agenda. This site provides opportunities for the developer to retain a Brooklyn-based contractor and subcontractor, especially those that are designated LBEs consistent with Section 6-108.1 of the City's Administrative Code, and MWBEs that meet or exceed standards per Local Law 1 (no less than 20 percent participation).

Borough President Adams believes that prior to considering the application, the City Council should obtain written commitments from the applicant, 737 Fourth Avenue LLC, to memorialize retention of Brooklyn-based contractors and subcontractors, especially those that are designated LBEs, for both the pending and subsequent development sites, consistent with Section 6-108.1 of the City's Administrative Code and MWBE as a means to meet or exceed standards per Local Law 1 (no less than 20 percent participation), as well as coordinate the oversight of such participation by an appropriate monitoring agency.

Community Preference: Inclusion of Homeless Shelter Student Population by School Zone

New York City's community preference policy requires that 50 percent of affordable units filled through affordable housing lotteries be reserved for residents in the local community. There are additional pathways for priority lottery selection such as United States Armed Forces veteran status, certain

disabilities, and other categories. Given the significant increase in the number of homeless families with school-aged children entering the public shelter system, Borough President Adams believes it is appropriate for HPD to extend local lottery preference to include the school zone attended by children of households residing at immediate and neighboring City-funded or -operated homeless shelters.

According to an annual report by Advocates for Children of New York, 31,158 Brooklyn students — nearly one in 10 enrolled — experienced homelessness during the 2018-2019 school year, defined as either living in shelters or doubling up with friends and family. The number of such students in charter and public schools has increased every school year since 2014-2015. Homelessness has profound impacts on school performance, as such students are more likely to have longer commutes or to transfer schools in the middle of the year, leading to chronic absences, lower graduation rates, and higher dropout rates.

Many parents and students find it important to maintain school continuity despite the circumstances faced by households dependent on the City's homeless shelter system. Borough President Adams believes that it should be the City's responsibility to take action that would eliminate or reduce such hardships. One such action would be to enable economically-challenged households with children in public schools to qualify for community local preference based on where the children attend school. According to the Institute for Children, Poverty & Homelessness (ICPH), there are multiple public schools within several blocks of the proposed development where the proportion of homeless students is five to 12 percent.

Borough President Adams believes that HPD should modify its affordable housing lottery community preference standards to include the school zone attended by a child of a household residing at a City-funded or -operated homeless shelter.

Accommodating Rent-Burdened Households in Lieu of Strict Area Median Income Standards

Data shows that more than 80 percent of New York City households earning 50 percent of AMI or less are rent-burdened. The crisis is even worse among the lowest income residents, those making 30 percent of AMI or less, currently \$23,310 for a family of three. Among this population, well over 50 percent pay more than half of their income toward rent. More than one-fifth of New York City households — over two million people — earn less than \$25,000 a year and almost one-third earn less than \$35,000. As the City's housing crisis grows worse, the burden falls most heavily on these low-income households, exacerbating racial disparities. According to CHPC, one in four households of color are severely rent-burdened, which is 11 percent more than Caucasian households.

Within CD 7, a significant number of households residing in unregulated housing and regulated apartments pay too much of their household income toward rent. According to ANHD, 56 percent of households in CD 7 are rent-burdened. ANHD also found that, among the City's community districts, CD 7 has the second highest number of serious housing code violations. Taken together, these facts point to a dual housing affordability and quality crisis in the community district whereby too many households are paying too much of their income for substandard and dangerous accommodations. Another ICPH report found that 31 percent of households in CD 7 spend 50 percent or more of their income on rent, making them severely rent-burdened. There is thus a pressing need to increase the supply of safe, affordable housing in CD 7. Moreover, given the risk of displacement, the City should take steps to increase the probability that rent-burdened households qualify for as many affordable housing lotteries as possible.

A strict rent-to-income requirement of no more than 30 percent of income for annual rent payments disqualifies many income-challenged households from the affordable housing lotteries. These rent-

burdened households do not meet the housing lottery's minimum household earnings because too often they are already paying the same or greater rent for the affordable housing unit. In this way, the requirement to pay no more than 30 percent of household income is actually hurting people who are already living in substandard housing and are spending more than 30 percent of their income on rent.

As first noted in his East New York Community Plan ULURP recommendation, Borough President Adams believes that it is time to break the mold in which families already paying too much rent for substandard housing are excluded from affordable housing lotteries. Borough President Adams seeks to qualify rent-burdened households for selection through the housing lottery process, which would ensure that they receive the maximum opportunity to secure affordable housing units and expand the number of households eligible for government-regulated affordable housing lotteries.

Amending the ZR to adjust AMI qualifications to include households that would maintain or reduce their rent burden would be one way to address this disparity. For MIH housing lottery offerings, DCP needs to modify the ZR to allow for exceptions to the 30 percent of income threshold so that households that are rent-burdened, though paying equal or greater rent than the lottery unit rent, would be eligible to live in affordable, newly-produced, and quality accommodations. Borough President Adams believes that the CPC and/or the City Council should echo his call to seek the modification of the ZR section concerning MIH areas to be adopted with a requirement that rent-burdened households be permitted to qualify for MIH affordable housing units.

Recommendation

Be it resolved that the Brooklyn borough president, pursuant to Section 197-c of the New York City Charter, recommends that the City Planning Commission and City Council approve this application with the following conditions:

1. That prior to considering the application, the City Council obtain commitments, in writing, from the applicant, 737 Fourth Avenue LLC, for both the pending and subsequent development sites, clarifying how it would:
 - a. Memorialize commitment to provide permanently affordable housing according to Mandatory Inclusionary Housing (MIH) Option 3
 - b. For the additional FAR increment in excess of an R7A MIH district, provide affordable housing floor area at a rate of 40 percent in lieu of the standard MIH Option 3 of 20 percent floor area requirement (10,417.68 sq. ft.), with permanent affordability based on 60 percent Area Median Income (AMI) rent basis
 - c. Memorialize an affordable housing mix with at least 50 percent two- or three-bedroom units, and at least 75 percent one- two- or three-bedroom units, but for studios targeted to households at 40 percent AMI
 - d. Implement outreach efforts to seniors earning up to 40 percent AMI for single- and dual-person households, including the formerly homeless, to maximize their participation in the affordable housing lottery
 - e. Utilize locally-based affordable housing development non-profit(s) to serve as the administering agent and have one or more such entities play a role in promoting affordable housing lottery readiness

- f. Set aside a portion of the interim Metropolitan Transportation Authority (MTA) station access easement for interim arts/cultural entities, non-profit organizations, and/or immigrant-owned businesses at below-market lease terms, as warranted
- g. Memorialize the incorporation of resiliency and sustainability measures, such as blue roofs, passive house design, solar facades, and/or wind turbines
- h. Coordinate with the New York City Department of Environmental Protection (DEP), New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (NYC Parks) regarding the installation of DEP rain gardens as part of a Builders Pavement Plan at 737 Fourth Avenue in consultation with Brooklyn Community Board 7 (CB 7) and local elected officials
- i. Coordinate Connecting Residents on Safer Streets (CROSS) Brooklyn implementation with DEP and DOT for the installation of a curb extension at the corners of Fourth Avenue and 24th and 25th streets, either as part of a Builders Pavement Plan or as a treated roadbed sidewalk extension
- j. Enter into a standard DOT maintenance agreement for those intersections and coordination with DEP and DOT should there be agency implementation for the provision of protected painted areas at the southeast corner of Fourth Avenue and 24th Street and the northeast corner of Fourth Avenue and 25th Street with the understanding that such improvements would not proceed prior to consultation with CB 7 and local elected officials
- k. Engage with car-sharing companies, in consultation with CB 7 and local officials to lease multiple spaces within the garage
- l. Retain Brooklyn-based contractors and subcontractors, especially those that are designated local business enterprises (LBEs) consistent with Section 6-108.1 of the City's Administrative Code, and minority- and women-owned business enterprises (MWBES) as a means to meet or exceed standards per Local Law 1 (no less than 20 percent participation), as well as coordinate the oversight of such participation by an appropriate monitoring agency

Be it further resolved:

1. That the New York City Department of Housing Preservation and Development (HPD) modify its affordable housing lottery community preference standards to include the school zone, thus capturing the population of public schoolchildren residing at City-funded or -operated shelters
2. That the CPC and/or the City Council call for modification of the MIH section of the New York City Zoning Resolution (ZR) to be adopted with a requirement that permits households with rent-burdened status (allow for exceptions to the 30 percent of income threshold for households paying the same or higher rent than what the housing lottery offers) to qualify for MIH affordable housing units.

**737 4th Avenue, LLC
26 Harbor Park Drive
Port Washington, NY 11050**

December 31, 2020

Hon. Eric Adams
Brooklyn Borough President
Brooklyn Borough Hall
209 Joralemon Street
Brooklyn, NY 11201

Re: Rezoning Application
731 and 737 Fourth Avenue,
Brooklyn, NY (the "Property")

Dear Borough President Adams:

737 4th Avenue, LLC ("Developer") looks forward to proceeding with its development of an approximately 144,044 zoning square foot mixed-use development (covering both 731 and 737 Fourth Avenue, in separate buildings) that would be facilitated by a rezoning of the Property. Developer has met with many stakeholders and with your staff to discuss ways of improving the development for the community. In consideration of your support of our rezoning application, specifically with regard to the Mandatory Inclusionary Housing (MIH) program we agree that:

1. Developer will request that MIH Option 1 apply to the rezoned Property, whereby 25% of the rezoned residential floor area would be permanently affordable at an average of 60% of AMI.
2. Developer will agree to provide deeper affordability than required under MIH Option 1, whereby 25% of the rezoned residential floor area would be affordable at a range of 30% to 60% of AMI, with an overall average of approximately 48% of AMI.
3. The exact affordability mix will be set forth in a community benefits agreement that Developer will enter into with The Fifth Avenue Committee, which will be binding on any successor owners of the Property.
4. Developer will also enter into an agreement with The Fifth Avenue Committee for it oversee the marketing, lottery and rent-up of the affordable units.

Developer believes that these changes to the development will improve the project to be built on the Property. We appreciate the time and work that everyone has invested in ensuring that this project is a success for the community. Thank you for your continued support.

Very truly yours,
737 4th Avenue, LLC

BY: [Signature], attorney