



Brooklyn Borough President Recommendation

CITY PLANNING COMMISSION
120 Broadway, 31st Floor, New York, NY 10271
CalendarOffice@planning.nyc.gov

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

SUYDAM STREET REZONING – 200344 ZMK, 200343 ZRK, 200326 ZSK

Applications submitted by Suydam Inc. and 3120 Willoughby LLC, pursuant to Sections 197-c and 201 of the New York City Charter, for land use actions affecting 10 lots on a block bounded by Suydam Street and Irving, Willoughby, and Wyckoff avenues. These include a zoning text amendment to establish a new Special Mixed-Use (MX) R7D/M1-5 district consisting of seven lots; a zoning map amendment to map such district, along with M1-5 and R6 districts within portions of the rezoning area; a zoning text amendment to designate a Mandatory Inclusionary Housing (MIH) area coterminous with the R7D/M1-5 district, and a special permit to waive a requirement of 35 accessory parking spaces. Such actions are requested to facilitate a 95-unit affordable residential building at 1250 Willoughby Avenue and enlarge an existing industrial building at 349 Suydam Street in Brooklyn Community District 4 (CD 4).

BROOKLYN COMMUNITY DISTRICT NO. 4

BOROUGH OF BROOKLYN

RECOMMENDATION

APPROVE
 APPROVE WITH
MODIFICATIONS/CONDITIONS

DISAPPROVE
 DISAPPROVE WITH
MODIFICATIONS/CONDITIONS

SEE ATTACHED

Eric L. Adams

BROOKLYN BOROUGH PRESIDENT

February 11, 2021

DATE

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Suydam Inc. and 3120 Willoughby submitted applications, pursuant to Sections 197-c and 201 of the New York City Charter, for land use actions affecting 10 lots on a block bounded by Suydam Street and Irving, Willoughby, and Wyckoff avenues. These include a zoning text amendment to establish a new Special Mixed-Use (MX) R7D/M1-5 district consisting of seven lots; a zoning map amendment to map such district, along with M1-5 and R6 districts within portions of the rezoning area; a zoning text amendment to designate a Mandatory Inclusionary Housing (MIH) area coterminous with the R7D/M1-5 district, and a special permit to waive a requirement of 35 accessory parking spaces. Such actions are requested to facilitate a 95-unit affordable residential building at 1250 Willoughby Avenue and enlarge an existing industrial building at 349 Suydam Street in Brooklyn Community District 4 (CD 4).

On December 21, 2020, Brooklyn Borough President Eric Adams held a remote public hearing on these zoning map and text amendments and special permit. There were no speakers on the item.

In response to Borough President Adams' inquiry as to what steps the applicant is prepared to take in order to meet the community board's stipulations that the development provide more units at 30 and 40 percent of Area Median Income (AMI) and seek funding from the New York City Department of Housing Preservation and Development (HPD), the applicant stated that the project has generated as many affordable units at 40 and 60 percent AMI as City funding would support. The applicant will continue to work with HPD to achieve any additional subsidies, based on updated term sheets.

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 development would provide nine studios, 33 one-bedroom, 38 two-bedroom, and 14 three-bedroom units, which would be targeted to households earning 40 to 120 percent AMI. Rents would range as follows: \$567 to \$1,985 for a studio apartment, \$717 to \$2,487 for a one-bedroom unit, \$854 to \$2,979 for a two-bedroom apartment, and \$978 to \$3,432 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 4 (CD 4) residents, and whether the applicant's marketing strategy would include a financial literacy campaign to assist local residents in becoming lottery-eligible, the applicant expressed intent to hire a local organization certified to do tenant selection, with the additional capacity for financial literacy training.

In response to Borough President Adams' inquiry as to what restrictions would ensure occupancy of the non-residential space by maker businesses, and how such restrictions would be codified and enforced, the applicant stated that it has been working with Council Member Antonio Reynoso and the New York City Department of City Planning (DCP) on a mechanism to maintain manufacturing at 349 Suydam Street. As part of the proposal, the building would remain under M-1 zoning, and continue to house manufacturing tenants. The applicant noted that management has extended long-term leases to several businesses, which has resulted in multiple purpose-built spaces within the building.

In response to Borough President Adams' inquiry regarding the timeframe for the proposed enlargement of the industrial building, and what ensures that the building would be retained/enlarged independent of the proposed residential development, the applicant stated that there would be simultaneous construction on both the 349 Suydam Street and 1250 Willoughby Avenue sites to achieve economies of scale.

In response to Borough President Adams' inquiry regarding the incorporation of sustainable features such as passive house design, New York City Department of Environmental Protection (DEP) rain gardens, and wind turbines, the applicant stated that 1250 Willoughby Avenue would comply with Enterprise Green Communities standards. The developer is also exploring stormwater retention onsite.

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 noted that 100 percent affordable developments funded by HPD have a 25 percent MWBE participation requirement. The developer has built projects in CD 4 with significant local and MWBE hiring and would work with community organizations to advertise available jobs.

Consideration

On November 16, 2020, CB 4 voted to approve this application with the following conditions:

That the developer, Suydam Inc. and 3120 Willoughby:

- Secure HPD funding as a basis for the approval with stipulations
- Commit to maintaining the site as is if funding is not secured
- Memorialize the M zones/manufacturing land via a restrictive declaration and/or a mechanism outside of the zoning designation
- Increase the percentage of units at 30 percent and 40 percent AMI
- Partner with workforce development organizations on job readiness and prioritize local hiring
- Include community preference for affordable housing
- Provide robust marketing and outreach for both hiring and affordable housing opportunities in partnership with local organizations and CB 4
- Continue to be an informative partner throughout the development process

The proposed actions would allow the applicant to construct a new, fully affordable, 95-unit residential building at 1250 Willoughby Avenue and enlarge an existing manufacturing building at 349 Suydam Street. The rezoning area consists of 15,000 square feet (sq. ft.) on Willoughby Avenue with use primarily as open storage and parking; two lots on Suydam Street improved with aforementioned industrial property; a non-applicant lot containing a two-story residential building, and part of a 45,000 sq. ft. lot occupied by Public School (PS) 123K The Suydam Magnet School for STEAM. Most of the block, including the applicant-owned sites and a portion of the school parcel is zoned M1-1. The remainder is zoned R6.

349 Suydam Street is home to five maker businesses engaged in artisan, furniture, garment, knitting, and woodworking. Collectively, these firms employ approximately 40 employees. The current building is 57 feet tall and contains 43,250 gross square feet (gsf) of manufacturing space spread over four floors. The proposed enlargement would create approximately 13,330 gsf of new industrial floor area. The resulting structure would have a floor area ratio (FAR) of 3.23 and a front wall height of 67 feet, compliant with M1-5 zoning regulations. The expansion would not trigger a parking requirement.

1250 Willoughby Avenue would be developed pursuant to HPD's Mixed Middle Income (M2) program, which funds the new construction of multi-family rental units affordable to low-, moderate-, and middle-income households. It would be built to 5.5 FAR, with nine stories, according to R7D MIH zoning. 1250 Willoughby Avenue would contain approximately 81,720 sq. ft. of residential use and would seek to waive parking requirements for its 72 non-MIH income restricted units.

To achieve the joint development, the applicant seeks to change the underlying M1-1 zoning on the Willoughby Avenue site to R7D/M1-5, which would permit residential construction on that side of the block. The 349 Suydam Street site would be changed from M1-1 to M1-5, and the portion of the school lot located in the manufacturing district would be rezoned to R6. The application would also establish an MIH area coextensive with the 1250 Willoughby Avenue site.

The surrounding area hosts a mix of commercial, industrial, and residential uses. The predominant housing type is one- to three-story walkup buildings, with a few elevator apartment buildings. The major commercial corridor is Knickerbocker Avenue, which is partially mapped with C1-3 overlays. Portions of the large M1-1 zone are designed as part of the large North Brooklyn Industrial Business Zone (IBZ). Community facilities include hospitals and doctors' offices, most notably, the Wyckoff Heights Medical Center, as well as houses of worship and various schools. The major open space resource is Maria Hernandez Park, located two blocks west of the development site, and the Grover Cleveland Athletic Field, situated three blocks to the east.

Brooklyn is one of the fastest growing boroughs in New York City and the greater metropolitan area. Its ongoing 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 the creation and preservation of housing units for very low- to middle-income households.

Moreover, in CD 4 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.

One aspect of manufacturing zoning is that it permits a range of commercial uses, including office and retail, as-of-right. The unchecked proliferation of such uses along with changes to the City's industrial sector has fundamentally transformed its manufacturing districts, particularly those located in gentrifying neighborhoods. This phenomenon appears contrary to the expectations of the 1961 New York City Zoning Resolution (ZR). As commercial uses tend to be of higher value than industrial ones, without regulation, the private market would not allocate land or space for maker uses. Pairing the proposed M1-5 zone with the adjacent M1-5/R7D provides an opportunity to realize new floor area for businesses, while also realizing greater certainty for existing and potential beneficial maker use occupants where legal instruments can be established that set forth restrictions on office and retail uses. Moreover, establishing effective legal means, such as contractual clauses in tandem with financing agreements, would ensure optimal redevelopment of 1250 Willoughby Avenue and 349 Suydam Street, in line with Suydam Inc. and 3120 Willoughby's proposal, and leverage such investments for decades to come.

Borough President Adams supports land use actions that broaden economic opportunity by providing employment for varied skill sets. This project would transform substantially underutilized land into affordable housing while upgrading vital manufacturing space. The R7D/M1-5 MX district would permit residential development while ensuring zoning certainty for light manufacturing establishments. Such a proposal aligns with the City's industrial and workforce goals, which include the creation of quality jobs for those without college degrees. Borough President Adams supports the preservation of manufacturing land as a way to sustain and grow the City's industrial sector.

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, approximately 23 of the 95 affordable units at 1250 Willoughby Avenue would be pursuant to MIH. 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 at 1250 Willoughby 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 two blocks west of the 14th Street-Canarsie Local L train DeKalb Avenue station. The closest bus is the B38, which makes stops along DeKalb Avenue. The area is also well-served by Citi Bike, with docking stations located on Willoughby Avenue one block north of Suydam Street, and Hart Street, one block south.

Borough President Adams acknowledges the large jump in density from what is otherwise permitted according to the existing zoning. Without the rezoning, there would be no means to compel the applicant to retain the existing tenants beyond the established lease terms — placing approximately 40 maker jobs at risk. The zoning would allow the building to be converted to any combination of office and most forms of retail. The applicant seeks to retain the type of tenants occupying the building, while growing the building by approximately 33 percent. However, such enlargement would be underwritten through the proposed residential development.

In response to community concerns, the applicant has proposed to structure the project as entirely rent-regulated, with the help of public subsidy from HPD. However, the developer would still have to collect sufficient rent from higher income households along the affordability spectrum to enable the expansion of 349 Suydam Street. The combination of the M1-5 and M1-5/R7D MX district facilitates the expansion of the commercial building while basing its zoning lot on the Suydam Street frontage and allowing enough affordable rents at the higher-end, with a meaningful number of apartments for low and very low-income households. The resulting height and density, while an aberration to the built and zoned context, is justified by the achievement of these important policy objectives.

Borough President Adams generally supports the proposal to establish an R7D/M1-5 district, which would facilitate a new residential building at 1250 Willoughby Avenue and the enlargement of an industrial property at 349 Suydam Street. However, he seeks assurances of dedicated floor area for maker businesses, the expansion of the existing building, a mechanism to ensure user compliance, restrictions on the range of permissible uses, limitations on accessory retail use, and 100 percent rent regulation for the residential development. 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, the incorporation of resilient and sustainable features including rain gardens, 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 the Enlargement of the Existing Commercial Structure

During Borough President Adams' hearing, the applicant clarified that the enlargement of 349 Suydam Street is contingent upon the development of 1250 Willoughby Avenue. As managed manufacturing space is typically leased at below market rate rents, the commercial improvements would be financed by revenues from the non-income restricted apartments. While this project is required to comply with HPD term sheets, the developer is under no obligation to expand the manufacturing building. While the proposed M1-5 zoning would permit additional commercial/manufacturing FAR (and bring into compliance the existing 2.88 FAR bulk), it would not guarantee the applicant's represented buildout.

Borough President Adams believes that the enlargement of 349 Suydam Street carries a substantial public benefit in the form of added industrial space and potential new jobs for CD 4 residents. Manufacturing tends to provide higher-quality employment for immigrants and people of color than the service sector. Expanding access to such opportunities is one of Borough President Adams' economic development objectives.

Borough President Adams believes that to maximize the project's purpose, it is necessary to realize the full proposal, including the Suydam Street component. Given the considerable investment of City subsidies in 1250 Willoughby Avenue, it is appropriate to ensure such outcome via legal means that would establish the enlargement of 349 Suydam Street as a condition of the development's financing. Additional accountability should be provided via an external monitor such as a local industrial non-profit, such as Evergreen, which has experience constructing and managing manufacturing buildings.

Therefore, prior to considering the application, the City Council should obtain written commitments from the applicant, Suydam Inc. and 3120 Willoughby, to establish a legally enforceable mechanism, such as a deed restriction, a contract with an industrial development non-profit, and/or a government financing agreement to ensure that the enlargement of 349 Suydam Street would be achieved in a timely manner.

Ensuring the Provision and Retention of Space for Innovation and Maker Jobs

In order to ensure that maker use floor area at 349 Suydam Street is preserved in the proposed expansion, it is necessary to establish compliance standards. ZR Section 74-962 provides a template for required compliance and recordation, including periodic notification by the owner, and annual reporting by a qualified third party. Under the rules of that Special Permit (established as part of the 25 Kent Avenue application), the property owner must file a Notice of Restrictions in order to receive a building permit from the New York City Department of Buildings (DOB). ZR Section 74-962 also states that "no temporary certificate of occupancy for any portion of the building to be occupied by incentive uses shall be issued until a temporary certificate of occupancy for the core and shell is issued for all portions of the building required to be occupied by required industrial uses." Such regulation was designed to ensure that the Required Industrial Use area is developed before any Incentive Use area contingent on the provision of such manufacturing floor area is occupied.

Furthermore, each new lease executed for any part of the Required Industrial Use space requires public notification, via electronic resource, of certain information about each new tenant and use, including the total floor area of Required Industrial Uses in the development, a digital copy of all approved Special Permit drawings pursuant to ZR Section 74-962 (a)(1) through (a)(4), and the names of all establishments occupying floor area reserved for Required Industrial Uses. Additionally, for each establishment, public notification must specify the amount of Required Industrial Use floor area, the UG, the subgroup, and the specific use as listed in the ZR.

The property owner is also required to retain a qualified third party, approved by the New York City Department of Small Business Services (SBS), to produce an annual report and conduct an inspection to ensure that the Required Industrial Use area is compliant with the provisions of ZR Section 74-962. Such report must include a description of each establishment with the North American Industry Classification System (NAICS) code and number of employees, the total amount of vacant Required Industrial Use floor area, as applicable; the average annual rent for the combined total of the portions of the building reserved for occupancy by Required Industrial Uses, and the number of new leases executed during the calendar year, categorized by lease duration, in five-year increments. Such reports must be submitted to DCP, as well as the Brooklyn borough president, the local City Council member, and the community board. Such reports must also be prepared by an organization under contract with the City to provide inspection services, an SBS-certified firm that provides such inspection services, or an entity that the commissioner of SBS determines to be qualified to produce such a report, provided that any qualified third party selected by the owner to prepare this report shall have a professional engineer or a registered architect licensed under the laws of the State of New York to certify the report.

Borough President Adams believes that to ensure compliance and the desired ratio of uses, the standards established in ZR 74-962 should be incorporated into the proposed zoning text amendment. In addition, one of the area's non-profit industrial business solutions providers, such as Evergreen, would warrant consideration as a potential administering agent for the industrial building at 349 Suydam Street. Borough President Adams believes that any floor area sublet and/or managed by a nonprofit organization should be subject to periodic notification and annual reporting requirements.

Therefore, prior to considering the application, the City Council should obtain written commitments from the applicant, Suydam Inc. and 3120 Willoughby, to establish a legally enforceable mechanism, such as a deed restriction, a contract with an industrial non-profit, and/or a government financing agreement that would ensure industrial floor area compliance, and establish ongoing monitoring.

Use Group Compliance with Innovation and Maker Jobs

According to the applicant, additional floor area resulting from the enlargement of 349 Suydam Street would be tenanted by use groups similar to the building's existing lessees. Borough President Adams believes that such managed manufacturing space should reflect any combination of agricultural, heavy service, manufacturing establishments, as well as studios for art, dancing, motion picture production, music, photography, radio/television, or theatrical, semi-industrial facilities, and trade schools for adults. It should also include service use categories from UG 9A such as blueprinting or photostating establishments, dental or medical laboratories, musical instrument repair shops, studios, and trade schools for adults, which he deems consistent with maker uses. Studios are also included in Use Group 10A.

Borough President Adams believes that certain uses, such as depositories and automobile showrooms, as well as truck terminals, warehouses and, wholesale establishments, should be excepted from the range of otherwise considered innovation and maker uses.

Borough President Adams further believes that the effectiveness of innovation and maker uses are dependent on having clear access 24 hours a day, seven days a week, to common service corridors, freight elevators, and loading docks on streets to ensure active industrial spaces. He believes this should be a requirement of meeting maker floor area as defined above by certain UG 9, 10, 11, 16, 17, and 18 uses noted above.

Borough President Adams believes that prior to considering the application, the City Council obtain written commitments from the applicant, Suydam Inc. and 3120 Willoughby, clarifying how it would establish a

legally enforceable mechanism, such as a deed restriction, a contract with a non-profit business service provider, and/or a government financing agreement to ensure that occupancy would be restricted to innovation and maker uses with clear access to the street.

Restricting Accessory Retail Floor Area

Though the applicant has not stated intent to include retail at 349 Suydam Street, Borough President Adams believes that the binding agreement should address the possibility of such use as accessory to a manufacturing tenant. Industrial floor area utilization for retail, while permitted by zoning, would undermine the spirit of dedicated space for innovation and/or maker uses.

There has been a trend for certain uses listed within UGs 11A, 16, 17, and 18 — specifically alcoholic beverages or breweries — in which a small accessory section of floor area is set-aside for retail and/or eating and drinking establishments. For example, such a development might have an interior retail street where one can purchase freshly-baked goods from a small accessory retail section off the main baking production area. There are also breweries that contain accessory beer halls and/or restaurants. With the ongoing trend of artisanal food and beverage production, an accessory sales component often provides important synergy and financial viability. However, other manufacturing uses, such as metal fabrication and woodworking, do not lend themselves to accessory retail. This puts such uses at a disadvantage because permitted uses that profit from accessory retail or eating and drinking components would likely be able to pay more rent. Furthermore, if such accessory retail and/or eating and drinking floor space were of excessive size, it would undermine the purpose of establishing dedicated floor area for desired uses at 349 Suydam Street. The ZR is silent regarding restricting accessory operations.

As Borough President Adams noted in his 2016 recommendations for 25 Kent Avenue, and his subsequent recommendations for 12 Franklin Street, 103 North 13th Street, and Industry City, public benefit would be diminished if the accessory retail and/or eating and drinking establishments were permitted to occupy more than a nominal amount of floor area.

As has been Borough President Adams' recommendation for those prior ULURP applications, he seeks to clearly define the extent of the floor area that would be allotted to accessory retail as well as eating and drinking operations at 349 Suydam Street. He believes that it is appropriate to limit accessory retail operations, specifically for UGs 6A, 6C, 7B, 7D, 8B, 8C, 10A, and 12, by permitting up to 100 sq. ft. without regard to the size of the industrial/maker establishment, though not more than 1,000 sq. ft. or not exceeding 10 percent of floor area per establishment.

Borough President Adams believes that in order to maintain the integrity of floor area for maker businesses, it would be appropriate to restrict accessory uses to 100 sq. ft. without regard to the size of the establishment or not exceeding 10 percent of floor area per establishment (though not more than 1,000 sq. ft.).

Borough President Adams believes that prior to considering the application, the City Council obtain written commitments from the applicant, Suydam Inc. and 3120 Willoughby, clarifying how it would establish a legally enforceable mechanism, such as a deed restriction, contract with a non-profit business service provider, and/or government financing agreement to limit accessory retail floor area.

Residential Development Pursuant to R7D be 100 Percent Rent Regulated

Though the applicant has represented the intent to develop the building as a 100 percent rent-regulated development, the zoning to R7D does not achieve such an outcome. The sole aspect that guarantees affordable floor area is the segment that would need to comply with MIH. As previously noted, the proposed R7D density inclusive predominately with rents from households able to afford 100 percent and 120 percent AMI basis rents, is anticipated to allow a modest cash flow to help pay

construction financing for both the housing and commercial enlargement developments, that would be converted to a permanent loan.

In addition, R7D height and density is an aberration to the built and zoned context. Given that the basis for supporting such density is to achieve industrial use preservation with commercial expansion through an exclusively developed affordable housing building, it is import that such represented extent of affordable housing include safeguards to assure its development.

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, Suydam Inc. and 3120 Willoughby to provide a legally enforceable mechanism, such as, a deed restriction, a contract with a non-profit administering agent, and/or government financing agreement to realize development of 100 percent affordable housing at 1250 Willoughby Street.

Ensuring an MIH Option that Provides Significantly for Very Low-Income Households and More Effectively Targets Income Tiers

Borough President Adams has heard a great deal of concern about ongoing gentrification and displacement in Bushwick. 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, approximately 413 subsidized units in Bushwick are set to expire from housing programs between 2020 and 2025. 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 — more than 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 4, a significant number of households residing in unregulated housing and regulated apartments pay too much of their household income toward rent. According to a 2020 Association for Neighborhood & Housing Development (ANHD) report, 57.5 percent of households in CD 4 are rent-burdened. ANHD also found that, among the City's community districts, CD 4 has a very high number of serious housing code violations. In addition, NYU Furman Center found that 32 percent of Bushwick residents are severely rent-burdened. 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. There is thus a pressing need to increase the supply of safe, affordable housing in CD 4. 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.

Suydam Inc. and 3120 Willoughby has represented intent that 1250 Willoughby Avenue would be a fully rent-regulated development pursuant to the HPD Mix and Match program, which permits AMIs of up to 130 percent. Suydam Inc. and 3120 Willoughby has stated on record that the 95 affordable units would be targeted to income tiers between 40 percent and 120 percent AMI. Specifically, it was represented that 10 percent of the units would be offered at rents consistent with 40 percent and 50 percent AMI;

five percent would be offered at 60 percent AMI; 30 percent would be set at 100 percent AMI, and the remaining 45 percent at 120 percent AMI.

As applications such as this proposal 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 ZR specifies four options for new construction subject to MIH regulations. As stated at Borough President Adams' hearing, Suydam Inc. and 3120 Willoughby 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 the greatest need, including many Bushwick residents who would have community preference for the 1250 Willoughby Avenue MIH lottery.

While the developer appears to recognize the need for low-income housing in the Bushwick community, Borough President Adams believes that development at 1250 Willoughby Avenue should result in more deeply affordable floor area. 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 4 has expressly stated that this development should provide deeply affordable housing to households at 30 and 40 percent AMI. As community preference provides an opportunity to award 50 percent of the units to CD 4 residents, Borough President Adams concurs that ensuring affordable housing opportunities for more lower-income residents would maximize the development's public purpose and benefit to the community. Consistent with CB 4's resolution, he seeks assurance that 1250 Willoughby Avenue development would generate affordable housing pursuant to MIH Option 3.

Borough President Adams is concerned that the large number of units with rents targeted to 100 and 120 percent AMI would not benefit long-term Bushwick residents at risk of displacement. The proposal does not match CB 4's recommendation that the development serve households earning up to 30 percent AMI. As 100 percent AMI rents would not provide true affordability for many local residents, Borough President Adams believes that leasing some of these units at 120 percent AMI would ensure the development's viability while realizing more units at 30 percent AMI. For every seven units changed from 100 percent to 120 percent AMI, two units could be realized at 30 percent AMI. Given that there are likely 28 units planned at 100 percent AMI, if all were reallocated to either 30 percent or 120 percent, eight units at 30 percent AMI could be achieved, more than what would be required by MIH Option 3. If each feasible reduction to 30 percent AMI were to be reduced to a merely 50 percent AMI rent basis, one less unit and 100 percent AMI would need to be raised to 120 percent AMI. It is therefore possible to achieve or exceed compliance with 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, Suydam Inc. and 3120 Willoughby, to provide permanently affordable housing according to MIH Option 3 and work with HPD to adjust its Mix and Match term sheets to accommodate more households earning less than 60 percent AMI.

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. Suydam Inc. and 3120 Willoughby

has expressed intent to provide a bedroom mix with studio, one-bedroom, two-bedroom, and three-bedroom units, of which 55 percent would be configured as family-sized apartments. Pursuant to MIH Option 1, a number of these units 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. Though the application's representation of a 95-unit affordable residential building at 1250 Willoughby Avenue development is consistent with Borough President Adams' policies, it is not binding. There is no assurance that the 1250 Willoughby Avenue affordable bedroom mix would be consistent with Borough President Adams' policy to achieve family-oriented units for very-low- to moderate-income households.

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, Suydam Inc. and 3120 Willoughby, 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 1250 Willoughby Avenue development.

Maximizing Affordable Housing Opportunities for Seniors

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 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 Suydam Inc. and 3120 Willoughby 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 the 1250 Willoughby Avenue development.

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 is 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 annually 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 4 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. These include Churches United for Fair Housing, Los Sures, Riseboro and St. Nicks Alliance, which could serve as the affordable housing administrator and/or marketing agent for the project. In this capacity, such an entity could work with the community board to qualify residents of Bushwick and CD 4 for the 1250 Willoughby Avenue MIH lottery. Such efforts should be undertaken in consultation with Borough President Adams' office, CB 4, 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, Suydam Inc. and 3120 Willoughby, to utilize one or more local affordable housing non-profits to serve as the administering agent for 1250 Willoughby Avenue, and/or have such entities play a role in promoting lottery readiness.

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. Regarding 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.

In Borough President Adams' letter to President Joseph R. Biden Jr., dated January 21, 2021, he outlined an urban agenda based on funding policies that will rebuild America as a more equitable and just society, including initiatives consistent with the Green New Deal. Specifically, Borough President Adams advocated for renewable energy and battery storage to move beyond reliance upon natural gas and dirty "peaker plants," disproportionately sited in communities of color. He believes that grid-connected rooftop batteries

should be a standard consideration for commercial buildings. Between existing flat roofs upgrades and newly developed projects, there should be sufficient demand to manufacture such units locally and create industrial jobs.

Borough President Adams believes it is appropriate for Suydam Inc. and 3120 Willoughby 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 Newtown Creek Waste Water Treatment Plant.

The required Builders Pavement Plan for the proposed development provides an opportunity to install DEP rain gardens along the development site's Suydam Street and Willoughby Avenue 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, Suydam Inc. and 3120 Willoughby should consult with DEP, the New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (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 4 and local elected officials prior to taking action.

Therefore, prior to considering the application, the City Council should obtain written commitments from the applicant, Suydam Inc. and 3120 Willoughby, clarifying how it would integrate additional resiliency and sustainability measures in the development of 1250 Willoughby Avenue and the enlargement of 349 Suydam Street.

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 for HPD-financed projects, which require no less than 25 percent participation.

While HPD funding for the 95-unit affordable residential building at 1250 Willoughby Avenue would ensure such compliance, the 349 Suydam Street enlargement would not be subject to the same requirements. Given that the two projects are intertwined and would be constructed simultaneously, such obligation should be memorialized as part of the HPD funding agreement or via a contract with a local workforce development organization. Borough President Adams' Office encourages maker businesses to reach out to local STEAM high schools such as the Brooklyn STEAM Center at Brooklyn Navy Yard for hiring opportunities, including internships.

Borough President Adams believes that prior to considering the application, the City Council should obtain written commitments from the applicant, Suydam Inc. and 3120 Willoughby, to retain Brooklyn-based contractors and subcontractors, especially those designated LBEs, for both the 1250 Willoughby Avenue and 348 Suydam Street sites, consistent with Section 6-108.1 of the City's Administrative Code and MWBE as a means to meet or exceed HPD requirements 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 near the proposed development where the proportion of homeless students is ten to 20 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 — more than 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 the Citizens Housing Planning Council (CHPC), one in four households of color are severely rent-burdened, which is 11 percent more than Caucasian households.

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 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:

That prior to considering the application, the City Council obtain commitments, in writing, from the applicant, Suydam Inc. and 3120 Willoughby, for both the commercial and residential development sites, clarifying how it would:

1. Establish a legally enforceable mechanism, such as a deed restriction, contract with a non-profit business service provider, and/or government financing agreement to ensure innovation and/or maker use enlargement achieved in a timely manner, monitor use floor area compliance, restrict to innovation and maker uses, establishes clear access to the street, and limit accessory retail floor area as per the following:
 - a. That compliance and recordation shall be according to ZR 74-962(d)
 - b. That periodic notification by owner shall be according to ZR 74-962(e)

- c. That annual reporting by a qualified third party shall be according to ZR 74-962(f)
 - d. That floor area sublet to and/or managed by a not-for-profit agency shall remain part of the zoning lot and be required to comply with annual reporting and periodic notification requirements
 - e. That Innovation and Maker Uses restricted to: Groups 9A, limited to blue printing or photostating establishments, dental or medical laboratories, musical instrument repair shops, studios, trade schools for adults, 10A, limited to studios, 11A, 16A except for automobile showrooms, 16B, 16D except for truck terminals, warehouses, and wholesale establishments, 17B, 17C limited to agriculture, and 18A
 - f. That such innovation and/or maker uses be provided with clear access to common service corridors, freight elevators, and loading docks on streets 24 hours a day, seven days a week to ensure active industrial spaces
 - g. That Accessory retail floor area that would otherwise meet the definition of Use Groups (UGs) 6A, 6C, 7B, 7D, 8B, 8C, 10A, and 12, not exceed the greater of 100 square feet or 10 percent of an establishment's floor area (limited to 1,000 square feet), in order to be deemed accessory
2. Establish a legally enforceable mechanism, such as the New York City Zoning Resolution (ZR), a deed restriction, contract with a non-profit housing ambassador, and/or government financing agreement to realize the following:
- a. Construct a 100 percent affordable housing development at 1250 Willoughby Street
 - b. Achieve permanently affordable housing according to Mandatory Inclusionary Housing (MIH) Option 3
 - c. Achieve a greater percentage of affordable housing floor area made available to households qualifying for apartment leased based on 60 percent Area Median Income (AMI) rent basis
 - d. 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 not exceeding 40 percent AMI
 - e. 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
 - f. 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
 - g. Memorialize the incorporation of resiliency and sustainability measures, such as blue and/or green roofs, grid-connected rooftop batteries, passive house design, solar panels and/or façades, 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 1250 Willoughby Avenue in consultation with Brooklyn Community Board 4 (CB 4) and local elected officials
- i. For the 349 Suydam Street enlargement, retain Brooklyn-based contractors and subcontractors, especially those 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 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.