



## **CITY PLANNING COMMISSION**

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October 19, 2005/Calendar No. 29

C 050483 HAM

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**IN THE MATTER OF** an application submitted by the Department of Housing Preservation and Development (HPD):

- 1) pursuant to Article 16 of the General Municipal Law of New York State for:
  - a) the designation of property located at 1401, 1405, 1407, 1409, 1413 and 1415 Fifth Avenue (Block 1621, Lots 1, 3-4, 69, 70 and 72); 3 East 115<sup>th</sup> Street (Block 1621, Lot 5); 4, 6 and 8 East 116<sup>th</sup> Street (Block 1621, Lots 67-68, and 168), part of Site 34A within the Milbank Frawley Circle East Urban Renewal Area, as an Urban Development Action Area; and
  - b) an Urban Development Action Area Project for such area; and
- 2) pursuant to Section 197-c of the New York City Charter for the disposition of such property to a sponsor to be determined by HPD;

to facilitate development of three buildings, with approximately 110 residential units and retail space, to be developed under the Housing Development Corporation's New Housing Opportunities Program, Borough of Manhattan, Community District 11.

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Approval of three separate matters is required:

1. The designation of 1401, 1405, 1407, 1409, 1413 and 1415 Fifth Avenue (Block 1621, Lots 1, 3-4, 69, 70 and 72); 3 East 115<sup>th</sup> Street (Block 1621, Lot 5); 4, 6 and 8 East 116<sup>th</sup> Street (Block 1621, Lots 67-68, and 168), part of Site 34A within the Milbank Frawley Circle East Urban Renewal Area, as an Urban Development Action Area;
2. An Urban Development Action Area Project for such property; and
3. The disposition of such property to a sponsor to be determined by HPD.

The application for the Urban Development Action Area designation and project approval, and the disposition of city-owned property was submitted by the Department of Housing, Preservation and Development on May 26, 2005.

Approval of this application would facilitate the development of three separate buildings containing 110 dwelling units for middle and low-income residents under the Housing Development Corporation's New Housing Opportunities Program.

The Department of Housing Preservation and Development states in its application that:

The Project Area consists of underutilized vacant lots which tend to impair or arrest the sound development of the surrounding community, with or without tangible physical blight. Incentives are needed in order to induce the correction of these substandard, unsanitary and blighting conditions. The project activities would protect and promote health and safety and would promote sound growth and development. The project area is therefore eligible to be an Urban Development Action Area and the proposed project is therefore eligible to be an Urban Development Action Area Project pursuant to Article 16 of the General Municipal law.

## **BACKGROUND**

The Department of Housing Preservation and Development (HPD) requests approval of an Urban Development Action Area designation and project, and the disposition of city-owned property to facilitate the development of three separate buildings under the Housing Development Corporation's New Housing Opportunities Program. The project site is located in East Harlem, Manhattan, Community District 11.

HDC's New HOP was created to meet the demand for affordable low and middle-income housing throughout the city. New HOP developments can include new construction or rehabilitation projects. This application would facilitate the development of 110 affordable rental units, of which 88 units (i.e., 80 percent) would be rented to middle-income families; the remaining 22 units or 20 percent would be rented to low-income families. In addition to 110 rental units, the project would provide approximately 10,300 square feet of ground floor commercial/retail space and 1,500 square feet of ground floor community space.

The project site is located on the east side of Fifth Avenue between East 115<sup>th</sup> and East 116<sup>th</sup> streets. Zoned R7-2/C1-4, the site has ten tax lots (Block 1621, Lots 1, 3, 4, 5, 67, 68, 69, 70, 72 and 168) with an area of approximately 23,750 square feet. The project site also includes a portion of Site 34A within the Milbank Frawley Circle-East Urban Renewal Area, which is designated for residential/commercial use. Accordingly, the proposed project is consistent with the urban renewal plan.

Of the ten properties comprising the project site, seven properties are city-owned (Block 1621, Lots 1, 3, 4, 5, 67, 68, and 72), of which four (4) properties are vacant lots (Lots 3, 4, 5 and 72), one is an abandoned community garden (Lot 1) and the remaining two properties are active community gardens (Lots 67 and 68).

Block 1621, Lots 69, 70 and 168 have privately-owned vacant buildings, which HPD would acquire through condemnation to facilitate assemblage and development of the project site.

This application would facilitate the development of 110 rental units in three adjoining eight-story buildings (Buildings 1, 2 and 3) to be built under the Quality Housing Program. All three buildings would be built on one zoning lot. Building 1 (6 East 116<sup>th</sup> Street) would be built on Block 1621, Lots 67, 68, 69 70 and 168, would have 50 rental units, 5,400 square feet of ground floor commercial/retail space and 450 square feet of community space.

Building 2 (1405 Fifth Avenue) would be built on Block 1621, Lots 3, 4 and 72, would have 34 rental units, 2,900 square feet of ground floor commercial/retail space and 650 square feet of community space. Building 3 (3 East 115<sup>th</sup> Street would be built on Block 1621, Lots 1 and 5, and would have 26 rental units, 2,000 square feet of ground floor commercial/retail space and 400 square feet of community space.

Buildings 1, 2 and 3 would have separate entrances for their respective residential, commercial/retail and community space. All three buildings would be connected by 5,750 square feet of landscaped, rear yard open space to be divided into two (2) levels. The lower level, approximately ten feet below-grade, would be accessible to the tenants of Building 2 only. The remaining open space, located at-grade, would be accessible to tenants in all three buildings. New street trees would be planted to improve the surrounding streetscape.

The surrounding neighborhood is predominantly residential in character, typified by 3-4 story row houses and 4-5 story multiple dwellings. The area has several churches, schools and community facilities. Ground floor retail and local shopping is available along 116<sup>th</sup> Street and along portions of Malcolm X Boulevard, which is located one block to the west. The

neighborhood is well served by mass transit, with subway access provided at West 116<sup>th</sup> Street and Malcolm X Boulevard by the IRT Seventh Avenue subway (numbers 2 and 3 lines). Bus service is also available on all major streets.

Over the past five years, more than \$100 million in public and private funds have been invested in the area to build housing that redeveloped city-owned vacant land. These projects include Fifth Avenue Homes, which comprise four-story, three-family townhouses located on both sides Fifth Avenue between East 117<sup>th</sup> and East 118<sup>th</sup> streets, Renaissance Plaza, a 249-unit co-op development located one block west on West 116<sup>th</sup> Street between Fifth Avenue and Malcolm X Boulevard and 1400 Fifth Avenue, a 110-unit co-op development located on Fifth Avenue between West 115<sup>th</sup> and West 116<sup>th</sup> streets.

## **ENVIRONMENTAL REVIEW**

This application (C 050483 HAM), was reviewed pursuant to the New York State Environmental Quality review Act (SEQRA), and the SEQRA regulations set forth in Volume 6 of the New York Code of Rules and Regulations, Section 617.00 et seq. and the City Environmental Quality Review (CEQR) Rules for procedure of 1991 and Executive Order No. 91 of 1977. The designated CEQRA number is 05HPD004M. The lead agency is the Department of Housing Preservation and Development.

After a study of the potential impact of the proposed actions, a Negative Declaration was issued on December 7, 2004.

## **UNIFORM LAND USE REVIEW**

This application (C 050483 HAM), was certified as complete by the Department of City Planning on June 20, 2005, and was duly referred to the Community Board and the Borough President, in accordance with Article 3 of the Uniform Land Use Review Procedure (ULURP) rules.

### **Community Board Public Hearing**

Community Board 11 held a public hearing on this application on July 27, 2005, and on that date, by a vote of 26 in favor, 3 opposed and 2 abstentions disapproved the application subject to the following condition:

We would like the Department of Housing Preservation and Development and the proposed developer to utilize the cross-subsidy programs to achieve the attached rent structure which would include more units that are truly affordable to our community's residents.

In an attachment to the recommendation, the community board expressed the following additional comments:

. . . As presented, the rent structure of this proposal would ensure that only 22 units are truly affordable to residents of our community. As a community we did not feel that we were receiving an adequate amount affordable units for our residents to justify the disposition of seven (7) City-owned lots. We worked with the developer and the Department of Housing Preservation and Development and presented a viable rent structure that would produce a project that was 50% affordable to our residents (please see attached). Given our scenario the developer would actually produce more monthly income while receiving sufficient subsidy; we considered it a "win-win" for both the community and the developer.

While we made our desire for lower rents clear to both the developer and HPD, we were still presented with a project that was mostly unaffordable for our residents and as a result would most likely add to our concerns of the continued gentrification of East Harlem. We feel it is absolutely necessary for HPD to use

the few remaining City-owned lots in Community Board 11 to develop housing which is affordable to our community's residents. This starts with the above site.

We as a community need your cooperation to provide our residents an opportunity to remain in East Harlem. We no longer have the luxury of accepting proposals which are less affordable in the hope of future affordable housing. With the few remaining City-owned lots in East Harlem we have a limited opportunity to help our residents. We must make sure we get it right every time from this point on.

### **Borough President Recommendations**

This application was considered by the Borough President, who issued a recommendation on August 31, 2005 approving the application.

### **City Planning Commission Public Hearing**

On August 24, 2005 (Calendar No. 6), the City Planning Commission scheduled September 14, 2005, for a public hearing on this application. The hearing was duly held on September 14, 2005 (Calendar No. 25). Five speakers spoke in favor of the application and no speakers in opposition.

A representative of the Manhattan Borough President reiterated the community board's concerns regarding affordability. To ensure that the rents would be as affordable as possible for moderate income families, the Borough President has committed \$250,000 to increase the affordability of these apartments to East Harlem residents. She further stated that the Borough President has committed \$1,000,000 to offset costs associated with acquisition of three private-owned vacant buildings comprising a portion of the project site and to further enhance the affordability of units to community residents.

The project sponsor explained the site plan of the proposed project. He explained the common open space that would be shared by all three buildings. The project architect explained the project design and the project facade which would be brick limestone with decorative ironwork which will blend harmoniously with the existing buildings in the area. He also mentioned that the development team would continue to work with the community board in arriving at a better affordable unit count for the proposed project. He stated that, to date, the developer had agreed to add another 14 moderate-income units. Two speakers, representatives of the Department of Housing Preservation Development, also appeared in favor.

There were no other speakers and the hearing was closed.

## **CONSIDERATION**

The Commission believes that the proposed Urban Development Action Area designation and project, and disposition of city-owned property, are appropriate.

The requested actions would facilitate the development of three new mixed-use buildings under the Housing Development Corporation's New Housing Opportunities Program.

This application would facilitate the development of 110 affordable rental units in three adjoining eight-story buildings (Buildings 1, 2 and 3) to be built under Quality Housing. All three buildings would be built on one zoning lot. Of the 110 rental units to be built, 88 units (i.e., 80 percent) would be rented to middle-income families; the remaining 22 units or 20 percent would be rented to low-income families. In addition, the project would provide approximately



10,300 square feet of ground floor commercial/retail space and 1,500 square feet of ground floor community space.

The Commission is aware of the concerns raised by Community Board 11 regarding affordability for East Harlem residents. In a letter dated September 9, 2005, HPD stated in response to Community Board 11's concerns, that HPD required the developer to contribute greater equity to the project so the rents could be reduced by \$150 to achieve more affordability for 14 of the 88 middle-income units proposed for this project (However, the letter further stated that the community board did not support this proposal and voted against the project).

The Commission notes that in response to community board concerns, the Borough President has provided \$250,000 to enable more rental units to be made affordable to East Harlem residents. The Borough President has also provided \$1,000,000 to offset acquisition costs for the three privately-owned vacant buildings comprising a portion of the project site and to further enhance the affordability of the proposed units.

The Commission believes that the proposed project complements ongoing public and private redevelopment efforts on neighboring blocks, and supports the city's commitment to redevelop the 116<sup>th</sup> Street/Fifth Avenue corridor. Moreover, the project underscores the city's intent to provide additional housing opportunities for East Harlem residents. The Commission, therefore, believes that the proposed Urban Development Action Area designation and project, and disposition of city-owned property, are appropriate.

## **RESOLUTION**

The City Planning finds that the proposed disposition of city-owned property located at -1401, 1405, 1407, 1409, 1413 and 1415 Fifth Avenue (Block 1621, Lots 1, 3-4, 69, 70 and 72); 3 East 115<sup>th</sup> Street (Block 1621, Lot 5); 4, 6 and 8 East 116<sup>th</sup> Street (Block 1621, Lots 67-68, and 168), conforms to the objectives and provisions of the First Amended Milbank Frawley Circle East Urban Renewal Plan (C 030475 HUM), approved by the City Planning Commission on September 10, 2003, and be it further

**RESOLVED**, that the City Planning Commission finds that the action described herein will have no significant impact on the environment; and

**WHEREAS**, the Department of Housing Preservation and Development has recommended the designation 1401, 1405, 1407, 1409, 1413 and 1415 Fifth Avenue (Block 1621, Lots 1, 3-4, 69, 7- and 72); 3 East 115<sup>th</sup> Street (Block 1621, Lot 5); 4, 6 and 8 East 116<sup>th</sup> Street (Block 1621, Lots 67-68, and 168), part of Site 34A within the Milbank Frawley Circle East Urban Renewal Area, in Community District 11, Borough of Manhattan, as an Urban Development Action Area; and

**WHEREAS**, the Department of Housing Preservation and Development also recommended the approval of an Urban Development Action Area Project for such property;

**THEREFORE**, be it further **RESOLVED**, that the City Planning Commission, after due consideration of the appropriateness of the actions, certifies its unqualified approval of the following matters pursuant to the Urban Development Action Area Act:

- a) the designation of 1401, 1405, 1407, 1409, 1413 and 1415 Fifth Avenue (Block 1621, Lots 1, 3-4, 69, 70 and 72); 3 East 115<sup>th</sup> Street (Block 1621, Lot 5); 4, 6 and 8 East 116<sup>th</sup> Street (Block 1621, Lots 67-68, and 168), part of Site 34A within the Milbank Frawley Circle East Urban Renewal Area, as an Urban Development Action Area; and
- b) An Urban Development Action Area Project for such area; and

the City Planning Commission recommends that the New York City Council find that:

- a) The present status of the area tends to impair the sound development of the municipality;
- b) The financial aid in the form of tax incentives to be provided by the municipality pursuant to Section 696 of the Urban Development Action Area Act is necessary to enable the project to be undertaken; and
- c) The project is consistent with the policy and purposes stated in Section 691 of the Urban Development Action Area Act;

**BE IT FURTHER RESOLVED**, by the City Planning Commission, pursuant to Section 197-c of the New York City Charter, that based on the environmental determination and the consideration described in this report, the application of the Department of Housing Preservation and Development for the disposition of city-owned property located at 1401, 1405, 1407, 1409, 1413 and 1415 Fifth Avenue (Block 1621, Lots 1, 3-4, 69, 70 and 72); 3 East 115<sup>th</sup> Street (Block 1621, Lot 5); 4, 6 and 8 East 116<sup>th</sup> Street (Block 1621, Lots 67-68, and 168), part of Site 34A within the Milbank Frawley Circle East Urban Renewal Area, in Community District 11, Borough of Manhattan, to a sponsor to be determined by the Department of Housing Preservation and Development, is approved (C 050483 HAM).

The above resolution (C 050483 HAM), duly adopted by the City Planning Commission on October 19, 2005 (Calendar No. 29), is filed with the Office of the Speaker, City Council, and the Borough President in accordance with the requirements of Section 197-d of the City the New York City Charter.

AMANDA M. BURDEN, AICP, **Chair**  
KENNETH J. KNUCKLES, Esq., **Vice Chairman**  
ANGELA M. BATTAGLIA, ANGELA R. CAVALUZZI, R.A.,  
IRWIN G. CANTOR, P.E. ALFRED C. CERULLO, III,  
RICHARD W. EADDY, LISA A. GOMEZ, JOHN MEROLO,  
KAREN A. PHILLIPS, DOLLY WILLIAMS, **Commissioners**