

## Alvista Towers – Jamaica, Queens

OER assists an affordable housing developer to enter the New York State Brownfield Cleanup Program, to reduce development costs, and contribute to resiliency.

### Background

Artimus, a community-oriented developer of mixed-income, mixed-use residential developments, has completed its first major project in Queens, a 25-story residential tower that stands alone and above brick warehouses in what will become a new high rise neighborhood in the heart of Jamaica, Queens.



Alvista Towers adds 380 city-funded affordable apartments to the neighborhood's housing supply. Located steps away from a major transit hub, Alvista Towers offers residents easy access to Manhattan on the Long Island Railroad (LIRR) and the E, J or Z subways, and John F. Kennedy Airport via the AirTrain. Preference for the new apartments will be given to residents of southeast Queens, and mobility, vision, or hearing impaired persons. A family of four with an annual incomes ranging between \$31,000 to \$136,000 can qualify for an apartment. This level of affordability will allow current Jamaica residents to remain in their neighborhood.

Downtown Jamaica is seeing a growth in major affordable buildings east of the Jamaica LIRR station

either under construction or starting construction this year. This will encourage business growth in the neighborhood, hastening the day when a supermarket, banks, coffee shops, restaurants and retail serve the new community.

### Strategy

Since Alvista Towers is built on formerly industrial land, Artimus had to investigate and remediate the site before construction could start. The development team approached the Mayor's Office of Environmental Remediation, which encouraged the team to consider enrolling the site in its Jumpstart Program, which assists New York City-funded affordable housing developers to pursue the New York State Brownfield Cleanup Program (BCP) and be eligible for the generous tax credits offered by the BCP. In the fall of 2015, Artimus decided to pursue the state program.

Artimus had to navigate both the state brownfield program and requirements for financing and construction that the City Department of Housing Preservation and Development (HPD) imposes on developers building 100% affordable buildings. It faced several challenges.

First, Artimus acquired the site privately. Even though a tenant was still occupying the site, in January 2016 Artimus completed a comprehensive remedial investigation required under the BCP.

Three weeks later, OER presented the site investigation results to the New York State Department of Environmental Conservation (DEC), which determined Artimus' property would be eligible for the BCP. OER conveyed DEC's decision to the developer the next day. Artimus' consultant AKRF, Inc. then drafted a remedial investigation report and remedial action work plan, which OER reviewed and commented on, before both documents and a program application were submitted to DEC. In mid-April, DEC determined that Artimus' proposed remedy was acceptable and invited the public to comment on the plan during the next 45 days.

The second challenge Artimus faced was that DEC's timeline for approving Artimus' remedy and accepting the project into the state program would extend beyond HPD's scheduled closing on Artimus' financing. A development site must have a government-approved remedy before HPD will finance construction. OER stepped in. In early May, OER approved the

proposed DEC remedy for the site for the purpose of Artimus obtaining a city building permit on condition that Artimus not break ground until DEC approved its remedy. Artimus closed with HPD on its financing on June 28; the next day DEC approved Artimus' remedy.

The third obstacle Artimus faced was HPD's requirement that Artimus complete construction of what would be a 25-story residential tower within two years of its June 2016 closing. To meet this deadline, Artimus had to proceed with demolition of the vacant refrigeration warehouse before DEC accepted the site into the state brownfield program. Delivering a vacant site to meet HPD's construction deadline, meant Artimus had to forego adding the cost of demolishing the warehouse to its total state brownfield tax credits that New York State would pay Artimus.

Once the development site was admitted into the state program, Artimus completed the site's remediation, involving excavation and disposal of contaminated soil, in less than six months. DEC approved the completion of the remedy and issued a Certificate of Completion to Artimus in December 2016.

Through Jumpstart, Artimus was able to enroll its property into the state brownfield program with an approved remedial plan five months after it obtained full access to its property.

Partially offsetting the project's reduced state tax credits from its inability to delay the demolition of the warehouse, Artimus saved about \$12,000 through in-city disposal of surplus clean soil excavated from its site. Through OER's Clean Soil Bank, 300 cubic yards of native sediment similar to beach sand, was trucked to Wards Island, where the material was placed in sandbags for placement in coastal areas across the city to protect neighborhoods from flooding and increase NYC's storm resiliency.