

## **CITY PLANNING COMMISSION**

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December 5, 2018/Calendar No. 12

C190065 HUM

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**IN THE MATTER OF** an application submitted by the Department of Housing Preservation and Development (HPD), pursuant to Section 505 of Article 15 of the General Municipal (Urban Renewal) Law of New York State and Section 197-c of the New York City Charter, for the first amendment to the Waterside Plaza Urban Renewal Plan, Borough of Manhattan, Community District 6.

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This application for an amendment to the Waterside Urban Renewal Plan (URP) was filed by the Department of Housing Preservation and Development (HPD) on August 23, 2018. The proposed action would extend and update the URP. In conjunction with the related action, this would facilitate the long-term preservation of up to 325 existing housing units, in addition to maintaining enhanced Section 8 voucher arrangements for 92 tenants in the Waterside Plaza development, a mixed-use complex in the Kips Bay neighborhood of Manhattan Community District 6.

### **RELATED ACTION**

In addition to an amendment to the Waterside URP that is the subject of this report, implementation of the proposed project also requires action by the City Planning Commission on the following application, which is being considered concurrently with this application:

**C190064 HDM**          Disposition of City-owned property.

### **BACKGROUND**

HPD seeks to modify and amend the Waterside URP. Through an underlying lease, the actions would facilitate the long-term affordability of up to 325 units in the Waterside Plaza development while maintaining enhanced Section 8 voucher arrangements for 92 tenants.

Waterside Plaza, completed in 1974, is in the Kips Bay neighborhood of Manhattan Community District 6. It comprises four residential towers on an irregular triangular-shaped waterfront parcel. The parcel is composed of two tax lots (Block 991, Lots 60 and 61) on land that has been reclaimed

from the East River and is owned by the City. Waterside Plaza LP leases the site from the City under a 99-year lease that expires in 2069.

The project site is generally bounded by the FDR Drive to the west, the East River to the east and the United Nations International School to the south. It is in a C2-7 zoning district and has a total lot area of 267,000 square feet. The URP, which was established in 1967 (CP-19667), permitted residential use, local commercial uses (limited to 50,000 square feet in floor area), and related public and semi-public uses. These uses were considered consistent with the intention of the URP, which sought to redevelop the area in a comprehensive manner, removing blight and maximizing appropriate land use, while providing appropriate community facilities, parks and recreational uses, retail shopping, public parking and private parking. A portion of the residential development was required to be set aside for moderate-income households. The Waterside URP also provided for automotive and pedestrian circulation and street improvements and widenings. A bicycle path that runs along the East River abuts the Waterside Plaza development on its western boundary.

In 1970, the City disposed of the site to Waterside Plaza LP for a 99-year term. The project was developed through the Mitchell Lama program and was designed around a central podium building that includes retail, offices, community facilities, parking and a rooftop open space. The central building ranges in height from two to five stories and functions as a spine connecting four residential towers along the central building's northern, eastern, and southern sides. The residential towers range between 34 and 40 stories and contain a total of 1,470 units.

The ground lease has been amended twice, most recently in October 2001. The amended ground lease facilitated a settlement agreement in anticipation of the project's exit from the Mitchell Lama program, and set forth updated ground lease payments. In 2005, the development exited the Mitchell Lama program and the settlement agreement took effect. The agreement included rent protections for approximately 450 tenants consisting of enhanced Section 8 vouchers and favorable rental rates, with agreed annual rent increases for existing tenants (known as "Settling Tenants") whose units had been subject to the Mitchell Lama program.

HPD proposes to extend the Waterside URP for an additional 99 years and dispose of the City-owned property for a new 99-year term, allowing both the URP and disposition mechanisms that regulate the site to terminate or be renegotiated at the same time. Approval of these actions would facilitate a new ground lease agreement that would preserve residential affordability for Settling Tenants by incorporating permanent rent freezes, rent reductions, and limits on rent increases. The measures apply to and will preserve up to 325 affordable units in the development. Importantly, affordability measures will be tied to units, not tenants, so affordability will not be lost through unit turnover. The new lease also maintains provision for enhanced Section 8 voucher arrangements for 92 tenants.

### **ENVIRONMENTAL REVIEW**

This application (C 190065 HUM), in conjunction with the application for the related action (C 190064 HDM), 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 of Procedure of 1991 and Executive Order No. 91 of 1997. The designated CEQR number is 19HPD001M. The lead agency is HPD.

This application was determined to be a Type II action, which requires no further environmental review.

### **UNIFORM LAND USE REVIEW**

This application (C 190065 HUM), in conjunction with the related action (C 190064 HDM), was certified as complete by the Department of City Planning on September 4, 2018, and was duly referred to Manhattan Community Board 6 and the Manhattan Borough President in accordance with Title 62 of the rules of the City of New York, Section 2-02(b).

### **Community Board Public Hearing**

Manhattan Community Board 6 held a public hearing on this application (C 190065 HUM) on September 12, 2018, and on that date, by a vote of 34 in favor, none opposed, and four abstentions, adopted a resolution recommending approval of the application.

### **Borough President Recommendation**

This application (C 190065 HUM) was considered by the Manhattan Borough President, who on October 16, 2018, issued a recommendation to approve the application.

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

On October 17, 2018 (Calendar No. 3), the City Planning Commission scheduled October 31, 2018, for a public hearing on this application (C 190065 HUM) and the related application (C 190064 HDM). The hearing was duly held on October 31, 2018 (Calendar No. 27). Nine speakers testified in favor of the application with recommended conditions.

A representative of HPD described the proposed actions and the lease agreement that underpins these actions, including the affordability measures for tenants.

The Council Member representing District 4 spoke in favor of the application, stating that the proposed lease agreement was a robust and innovative affordable housing plan for tenants that would provide substantial relief for rent burdened tenants, permanently freeze the rent for dozens of apartments, limit rent increases for certain middle-income residents and preserve affordable housing on a generational scale. The Council Member expressed concern for residents that may not be able to retire by 2019, and thus would not be eligible for a rent reset that reflects their retirement income. The Council Member expressed a desire for HPD to continue its work with the owner to extend the rent reset eligibility to all Settling Tenants, in addition to suggesting modifications to the definition of income in the lease.

A representative of the Borough President of Manhattan testified in favor of the application, echoing the support of the Council Member for the project while raising similar concerns about retirement age. The Borough President encouraged HPD, the tenants and landlord to continue working together to avoid displacing senior citizens.

Seven other speakers from the Waterside Plaza complex spoke in support of the application, with conditions. Most speakers requested that the new lease extend the rent reset provision from one to

nine years to allow all Settling Tenants to retire as planned. One speaker noted that many of the apartments subject to affordability measures have not been renovated since the complex was constructed. She requested that the upgrade of apartments be integrated into the new lease agreement.

There were no other speakers and the hearing was closed.

## **CONSIDERATION**

The Commission believes that the proposed amendment to the Waterside URP (190065 HUM), in conjunction with the related application for a disposition of City-owned property (C 190064 HDM), is appropriate.

The application, along with the related action, will allow new 99-year terms for the Waterside URP and the disposition of City-owned property upon which Waterside Plaza is developed. These actions facilitate a new ground lease between HPD and Waterside LP that will provide long-term affordability for up to 325 units and maintain the existing enhanced Section 8 vouchers for 92 tenants in the Waterside Plaza complex. The proposed renewal is consistent with the historic use of the site, established under the Waterside URP, which sought to redevelop the area in a comprehensive manner, removing blight and maximizing appropriate land use, while providing appropriate community facilities, parks and recreational uses, retail shopping, public parking and private parking.

The Commission recognizes that the number of affordable units at Waterside Plaza has fallen since the development's exit from the Mitchell Lama program in 2005 due to the natural turnover of tenants. The Commission commends the Waterside residents, the property owner, elected officials, and HPD for working to address the rent burden issues of the development's Settling Tenants and those tenants with enhanced Section 8 vouchers.

The Commission acknowledges the value of working with naturally occurring retirement communities (NORCs) to allow residents to age in place. The Commission recognizes the importance of URPs and their associated ground leases, made possible through dispositions of

City-owned property, in providing affordable housing options to low-, moderate-, and middle-income tenants in NORCs.

The Commission notes that the extended URP and the disposition of City-owned property for a new 99-year term is associated with the new lease agreement and its tenant protections. The Commission believes the requested URP extension and disposition is consistent with the City's affordable housing preservation goals.

The Commission heard testimony and received written comments including comments from the N.Y. State Senator for New York's 27th Senate District, the N.Y. State Assembly member for New York's 74th Assembly District, and Waterside Plaza residents about extending the new lease agreement's rent reduction provision to apply to tenants retiring within the next nine years, rather than within the next year, and permitting the household income amount used to determine a tenant's rent to be calculated after excluding the required minimum distributions of individual retirement accounts and including the deduction of medical expenses. While the Commission acknowledges that the new lease agreement is beyond the scope of the requested actions, it recognizes that it is a key factor for the requested actions. The Commission is aware that additional rent protections are requested. The Commission is also aware that HPD has a broad set of affordable housing policies across the City that require it to balance funding requests with available resources and that it is currently unable to provide additional subsidy to this project. The Commission notes the innovative and unique rent protections in the new lease agreement that are tailored to address the rent increase experienced by Waterside Plaza residents after the complex's exit from the Mitchell Lama program.

The Commission notes that compliance with the affordability requirements in the new lease agreement will be administered by an experienced third-party agent according to HPD/HDC Marketing Guidelines and reported to HPD. The Commission further notes that the project will be monitored by HPD's Asset Management Division for the full term through the submission of a certified rent roll and the property's audited annual financial report. The Commission believes that these standard procedures are appropriate for ensuring compliance with the ground lease.

The Commission expressed concern about the safety of the bicycle path that abuts the Waterside Plaza development on its western boundary. The Commission notes that this issue is beyond the scope of the requested actions but urges the Waterside Plaza ownership, New York City Department of Transportation, and any other relevant City agencies, to include improvements to the path's condition and signage in future esplanade improvement projects.

## **RESOLUTION**

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

**RESOLVED**, that the City Planning Commission certifies, pursuant to Section 505, Article 15 of the General Municipal Law of New York State, that: (1) the proposed First Amended Plan to the Waterside Urban Renewal Plan is an appropriate plan for the area involved and conforms to the finding set forth in Section 504, Article 15 of the General Municipal Law of New York State; and (2) the First Amended Waterside Urban Renewal Plan conforms to the comprehensive community plan for the development of the municipality as a whole and is consistent with local objectives, in compliance with the provisions of subdivision seven of Section 502, Article 15 of the General Municipal Law of New York State; and be it further

**RESOLVED**, that the City Planning Commission certifies its unqualified approval of the First Amended Waterside Urban Renewal Plan, pursuant to subdivision 2 of Section 505, Article 15 of the General Municipal Law of New York State; And be it further

**RESOLVED**, by the City Planning Commission, pursuant to Section 197-c of the New York City Charter, the Uniform Land Use Review Procedure, and Section 505, Article 15 of the General Municipal Law of New York State, and after due consideration of the appropriateness of this action, that the proposed First Amended Waterside Urban Renewal Plan for the Waterside Plaza Urban Renewal Plan, Community District 6, Borough of Manhattan, submitted by the Department of Housing Preservation and Development on August 23, 2018 is approved (C 190065 HUM).

The above resolution (C190065 HUM), duly adopted by the City Planning Commission on December 5, 2018 (Calendar No. 12), is filed with the Office of the Speaker, City Council, and the Borough President together with a copy of the plans of the development, in accordance with the requirements of Section 197-d of the New York City Charter.

**MARISA LAGO**, *Chair*

**KENNETH J. KNUCKLES, ESQ.**, *Vice Chairman*

**ALLEN P. CAPPELLI, ESQ., ALFRED C. CERULLO, III,  
MICHELLE DE LA UZ, JOSEPH DOUEK, RICHARD W. EADDY,  
CHERYL COHEN EFFRON, HOPE KNIGHT, ANNA HAYES LEVIN,  
ORLANDO MARIN, LARISA ORTIZ, RAJ RAMPERSHAD** *Commissioners*



Application #: **C 190064 HDM**

Project Name: **Waterside Plaza - URA Extension**

CEQR Number: 19HPD001M

Borough(s): **Manhattan**

Community District Number(s): **6**

Please use the above application number on all correspondence concerning this application

**SUBMISSION INSTRUCTIONS**

- Complete this form and return to the Department of City Planning by one of the following options:
  - EMAIL (recommended):** Send email to [CalendarOffice@planning.nyc.gov](mailto:CalendarOffice@planning.nyc.gov) and include the following subject line: (CB or BP) Recommendation + (6-digit application number), e.g., "CB Recommendation #C100000ZSQ"
  - MAIL:** Calendar Information Office, City Planning Commission, 120 Broadway, 31<sup>st</sup> Floor, New York, NY 10271
  - FAX:** to (212) 720-3488 and note "Attention of the Calendar Office"
- Send one copy of the completed form with any attachments to the applicant's representative at the address listed below, one copy to the Borough President, and one copy to the Borough Board, when applicable.

*Docket Description:*

**IN THE MATTER OF** an application, submitted by the Department of Housing Preservation and Development (HPD), pursuant to Section 197-c of the New York City Charter, for the disposition of City-owned property (Block 991 Lots 60 and 61), within the Waterside Plaza Urban Renewal Area, Borough of Manhattan, Community District 6.

<b>Applicant(s):</b> Department of Housing Preservation and Development 100 Gold Street New York, NY 10038		<b>Applicant's Representative:</b> Kevin Parris NYC Housing Preservation & Development 100 Gold Street New York, NY 10038	
<b>Recommendation submitted by:</b> Manhattan Community Board Six			
<b>Date of public hearing:</b> 09/12/18		<b>Location:</b> Podell Auditorium at Mount Sinai Beth Israel Hospital	
<b>Was a quorum present?</b> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		<small>A public hearing requires a quorum of 20% of the appointed members of the board, but in no event fewer than seven such members.</small>	
<b>Date of Vote:</b> 09/12/18		<b>Location:</b> Podell Auditorium at Mount Sinai Beth Israel Hospital	
<b>RECOMMENDATION</b>			
<input checked="" type="checkbox"/> Approve		<input type="checkbox"/> Approve With Modifications/Conditions	
<input type="checkbox"/> Disapprove		<input type="checkbox"/> Disapprove With Modifications/Conditions	
<b>Please attach any further explanation of the recommendation on additional sheets, as necessary.</b>			
<b>Voting</b>			
# In Favor: 34	# Against: 0	# Abstaining: 4	Total members appointed to the board: 50
<b>Name of CB/BB officer completing this form</b> Cody Osterman	<b>Title</b> Community Associate	<b>Date</b> 09/13/18	

Application #: **C 190065 HUM**

Project Name: **Waterside Plaza - URA Extension**

CEQR Number: 19HPD001M

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*Docket Description:*

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<b>Applicant(s):</b> Department of Housing Preservation and Development 100 Gold Street New York, NY 10038		<b>Applicant's Representative:</b> Kevin Parris NYC Housing Preservation & Development 100 Gold Street New York, NY 10038	
<b>Recommendation submitted by:</b> Manhattan Community Board Six			
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<b>Date of Vote:</b> 09/12/18		<b>Location:</b> Podell Auditorium at Mount Sinai Beth Israel Hospital	
<b>RECOMMENDATION</b>			
<input checked="" type="checkbox"/> Approve		<input type="checkbox"/> Approve With Modifications/Conditions	
<input type="checkbox"/> Disapprove		<input type="checkbox"/> Disapprove With Modifications/Conditions	
<b>Please attach any further explanation of the recommendation on additional sheets, as necessary.</b>			
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<b>Name of CB/BB officer completing this form</b> Cody Osterman	<b>Title</b> Community Associate	<b>Date</b> 09/13/18	

# Borough President Recommendation

City Planning Commission  
120 Broadway, 31<sup>st</sup> Floor, New York, NY 10271  
Fax # (212) 720-3488

## 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 representative as indicated on the Notice of Certification.

Applications: C 190065 HUM and C 190064 HDM

### Docket Description:

**IN THE MATTER OF** an application submitted by the Department of Housing Preservation and Development (HPD), pursuant to Section 505 of Article 15 of the General Municipal (Urban Renewal) Law of New York State and Section 197-c of the New York City Charter, for the First amendment to the Waterside Plaza Urban Renewal Plan, Borough of Manhattan, Community District 6.

COMMUNITY BOARD NO:

6

BOROUGH: Manhattan

## RECOMMENDATION

- APPROVE
- APPROVE WITH MODIFICATIONS/CONDITIONS (List below)
- DISAPPROVE
- DISAPPROVE WITH MODIFICATIONS/CONDITONS (Listed below)

EXPLANATION OF RECOMMENDATION – MODIFICATION/CONDITIONS (Attach additional sheets if necessary)

See Attached



BOROUGH PRESIDENT

10/16/2018

DATE