



February 28, 2018/Calendar No. 14

C 180115 HAM

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 302-314 West 127th Street (Block 1953, Lots 36, 37, 38, 39, 40 & 41), 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 property located at 302, 304, 306, and 310 West 127th Street (Block 1953, Lots 36, 37, 38, & 40) to a developer selected by HPD

to facilitate an affordable housing development containing approximately 116 affordable units and approximately 96,900 square feet of community facility space, Borough of Manhattan, Community District 10.

Approval of three separate matters is required:

1. The designation of property located at 302-314 West 127th Street (Block 1953, Lots 36, 37, 38, 39, 40 & 41), as an Urban Development Action Area: and
2. An Urban Development Action Area Project (UDAAP) for such area; and
3. The disposition of such property located at 302, 304, 306, and 310 West 127th Street (Block 1953, Lots 36, 37, 38, & 40) to a developer selected by the New York City Department of Housing Preservation and Development (HPD)

This application for the Urban Development Action Area designation, project approval, and disposition of City-owned property was filed by HPD on October 12, 2017. Approval of this application would facilitate construction of a 12-story, approximately 96,900-square-foot

community facility with approximately 116 supportive and affordable units and attendant social services.

HPD states in its application that:

“The project area consists of underutilized property which tends 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, insanitary, 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 Project pursuant to Article 16 of the General Municipal Law.”

RELATED ACTION

In addition to the UDAAP designation, project approval, and disposition of City-owned property that is the subject of this report, implementation of the proposal also requires action by the City Planning Commission on the following application, which is being considered concurrently with this application:

C 180116 ZSM Special permit to modify bulk requirements to permit a FAR of 6.5 to apply to a non-profit institution with sleeping accommodations

BACKGROUND

HPD is seeking UDAAP designation, project approval, and disposition of City-owned property at 302-314 West 127th Street (Block 1953, Lots 36, 37, 38, 39, 40 and 41) in the Central Harlem neighborhood of Manhattan, Community District 10, to facilitate the construction of an approximately 96,900-square-foot community facility. The UDAAP action (C 180115 HAM) is sought in conjunction with a special permit (C 180116 ZSM). The proposed 12-story building, to be owned and operated by the nonprofit Center for Urban Community Services (CUCS), would contain approximately 70 units of supportive housing, 46 units of affordable housing, one unit for a live-in superintendent, and accessory office space for attendant social services.

The development site is composed of six tax lots with different owners and a history of incomplete land use actions. Lots 37, 38, and 40 are all undeveloped and owned by HPD. Lot 39 is also undeveloped, but is owned by CUCS. Lot 41 is owned by CUCS and is developed with two adjoining four-story buildings used as a transitional residence for homeless adults. Lot 36, which is developed with an unoccupied one-story building, is currently owned by the Department of Citywide Administrative Services (DCAS). HPD has a hold on the property and plans to take jurisdiction of it prior to conveyance. In 1996, Lot 36 was part of a DCAS disposition action (C 960075 PPM) that was disapproved by City Council. In 2001, Lots 36, 37, and 38 were part of a DCAS disposition action (C 000507 PPM) that was approved by City Council, but the lots were never disposed to new owners. HPD is now seeking to dispose of all four City-owned lots: 36, 37, 38, and 40.

The development site is located primarily in an R7-2 zoning district, with a small section zoned R8. A portion of the R7-2 area close to Frederick Douglass Boulevard is mapped with a C1-4 commercial overlay. R7-2 is a height factor district in which building envelopes are regulated by open space requirements and a sky exposure plane rather than fixed limits. R7-2 districts allow a residential floor area ratio (FAR) of up to 3.44 and a community facility FAR of up to 6.5. R8 is also a height factor district and allows residential FAR of up to 6.02 and community facility FAR of up to 6.5.

Immediately adjacent to the site, to the east, is a one-story church housed in a former bank building. Immediately adjacent to the site, to the west, are a vacant lot, a one-story vacant building, and a four-story residential building with ground-floor commercial space. The remainder of the block contains vacant lots, two community gardens, and four- and five-story residential buildings. A 12-story residential building with ground-floor commercial space was recently constructed across from the site on West 127th Street and St. Nicholas Avenue.

The surrounding area is generally developed with buildings of varied height and bulk and has a diverse mix of residential, commercial, and institutional land uses. Frederick Douglass Boulevard and St. Nicholas Avenue, located to the east and west of the development site respectively, are both characterized by mixed-use residential development of five to 12 stories

with commercial ground floor uses. 125th Street, located two blocks south of the development site, is a major commercial corridor and cultural hub characterized primarily by three- and four-story commercial buildings, but with some buildings rising as high as 19-stories. The St. Nicholas Houses, a New York City Housing Authority (NYCHA) development comprising 13 14-story buildings, begins one block east of the development site. St. Nicholas Park, a large green space, begins one block to the northeast. The area is well-served by transit, with an entrance to the 125th Street A/C/D/B subway station located adjacent to the development site on the corner of West 127th Street and St. Nicholas Avenue. The area is also served by the 2/3 subway train and numerous uptown, downtown, crosstown, and Bronx-bound bus lines.

HPD proposes to convey the four City-owned lots to CUCS to facilitate the construction of a 12-story community facility building. The building would rise to approximately 119 feet and would fully comply with sky-exposure plane regulations. It would be set back 30 feet from the rear lot line and at least 15 feet from the front lot line. The proposed building would contain 117 units in total: 34 affordable residential units for formerly-homeless individuals with severe mental illness, 36 units for formerly-homeless families with a head of household suffering from mental illness or chemical addiction, 46 affordable units for low-income individuals and families earning less than 60 percent of the Area Median Income (AMI), and one unit for a live-in superintendent. The building would include a fitness room, laundry facility, computer room, lounge, landscaped rear yard, rooftop garden, and teaching kitchen. CUCS would provide around-the-clock social services accessible to all residents, regardless of whether they reside in supportive housing. The cellar of the building would contain social service offices and amenities. The first floor would contain a lobby, offices, amenities, and residences. The second through 11th floors would be entirely residential. The floorplate of the 12th floor would be smaller than the lower floors, and would include residences, a teaching kitchen, and a rooftop garden.

The proposed building would contain approximately 96,900 square feet of zoning floor area and have an FAR of 6.5. As a nonprofit institution with sleeping accommodations, the building would normally be required to adhere to the residential FAR for each zoning district (3.44 in R7-2 and 6.02 in R8). However, the applicant is seeking a special permit (C 180116 ZSM) in

conjunction with this UDAAP action in order to allow a community facility FAR of 6.5 to apply to a nonprofit institution with sleeping accommodations at this site.

To facilitate the proposed development, HPD requests UDAAP designation, project approval, and the disposition of City-owned property. The disposition would apply to 302, 304, 306, and 310 West 127th Street (Block 1953, Lots 36, 37, 38, and 40), an area that comprises 9,253.68 square feet and is currently vacant. HPD also seeks a special permit (C 180116 ZSM) pursuant to Section 74-903 of the Zoning Resolution to modify the requirements of 24-111 (Maximum Floor Area Ratio for Certain Community Facility Uses) to permit the allowable community facility floor area ratio of Section 24-11 (Maximum Floor Area Ratio and Percentage of Lot Coverage) to apply to a non-profit institution with sleeping accommodations at the site. As a nonprofit institution with sleeping accommodations, the proposed building would currently be allowed a maximum FAR of 3.44 on the R7-2 portion of the development site and 6.02 on the R8 portion of the development site. The special permit would allow the proposed building to be built to a maximum community facility FAR of 6.5 on both the R7-2 and R8 portions.

ENVIRONMENTAL REVIEW

This application (C 180115 HAM), in conjunction with the related application (C 180116 ZSM), 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 1977. The designated CEQR number is 17HPD111M. The lead agency is HPD.

After a study of the potential impact of the proposed actions, a Negative Declaration was issued on October 13, 2017.

UNIFORM LAND USE REVIEW

This application (C 180115 HAM), in conjunction with the related application (C 180116 ZSM), was certified as complete by the Department of City Planning on October 16, 2017, and was duly referred to Community Board 10 and the Borough President, in accordance with Title 62 of the Rules of the City of New York, Section 2-02 (b).

Community Board Public Hearing

Community Board 10 held a public hearing on this application on November 13, 2017 and on December 6, 2017 by a vote of 14 in favor, seven opposed, and with two abstentions and one recusal, adopted a resolution recommending approval with the following conditions:

- that “outreach be conducted to neighboring businesses and residents”
- that “the project reach the lower [threshold of] 30% of AMI to ensure more affordability”
- that “the application process [for the affordable units] have less of an emphasis on credit history as a criteria to be a tenant and more on rent history.”

Borough President Recommendation

This application (C 180115 HAM) was considered by the Borough President, who issued a recommendation on January 26, 2018 to approve the application.

City Planning Commission Public Hearing

On January 17, 2018 (Calendar No. 4), the City Planning Commission scheduled January 31, 2018 for a public hearing on this application (C 180115 HAM) in conjunction with the hearing on the related application (C 180116 ZSM). The hearing was duly held on January 31, 2018 (Calendar No. 12).

Five speakers testified in favor of the application. A representative of HPD described the land use actions and how the project fit into HPD’s housing strategy. A representative of CUCS

described the organization's history and the services planned for the development. The project architect described the design and layout of the proposed building. A resident of a different CUCS supportive housing development described the transformative impact the organization has had on his life. A representative of the Manhattan Borough President described the Borough President's reasons for recommending approval of the application.

There were no other speakers and the hearing was closed.

CONSIDERATION

The Commission believes that the application for UDAAP designation, project approval, and disposition of City-owned property (C 180115 HAM), along with the related action (C 180116 ZSM), is appropriate.

The project would provide approximately 70 units of supportive housing for formerly-homeless individuals and families, and 46 units of affordable housing for low-income individuals and families. All residents would be able to access in-house social services and amenities. The Commission notes that approval of the UDAAP and disposition would facilitate the development of vacant City-owned land, thereby eliminating a blighting influence on the neighborhood. The Commission further notes that the project will address the City's acute need for supportive and affordable housing and that the granting of the special permit would allow significantly more of these critically-needed units to be created than would otherwise be allowed.

The Commission notes the conditions recorded in Community Board 10's recommendation letter and applauds CUCS for formulating an outreach plan in keeping with the Board's request. The Commission acknowledges Community Board 10's request that the affordable units in the development be targeted to even lower income thresholds and that credit history be deemphasized in the application process. The Commission recognizes that AMI thresholds in the development are subject to ongoing negotiation between HPD and the developer and notes that the 70 supportive housing units included in the development will be set aside for individuals and families with extremely low incomes, likely well below the threshold of 30 percent of AMI recommended by Community Board 10. The Commission further notes that the 46 affordable

units set aside for individuals and families with incomes at or below 60 percent of AMI will help meet the City's urgent need for affordable workforce housing. In addition, the Commission recognizes that HPD operates pursuant to tenant selection criteria that prevents developers from rejecting applicants based solely on credit score.

The Commission believes that the special permit (C 180116 ZSM) to allow a community facility FAR of 6.5 to apply to a nonprofit institution with sleeping accommodations at the site is appropriate. The Commission finds that the required setbacks will ensure that the design will not have a significant adverse effect on the light, air, and privacy of adjacent properties. The Commission notes that the Environmental Assessment Statement included a supplementary sun study that determined that shadow impacts would not substantially affect any of the sunlight-sensitive resources in the surrounding area. The Commission further finds that the proposed facility will include adequate social services for residents such that it will not prove a burden on existing services in the neighborhood. The Commission recognizes that the proposed operator, CUCS, pioneered the supportive housing model and has a long track record of providing services to the formerly homeless. Finally, the Commission finds that the streets providing access to the site are adequate to handle the traffic generated by the project. The Commission notes that the project is anticipated to add fewer than 50 peak-hour vehicle trips and that a subway station entrance is located a few feet from the proposed building.

RESOLUTION

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 of 302-314 West 127th Street (Block 1953, Lots 36, 37, 38, 39, 40 & 41) as an Urban Development Action Area; and

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

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 matters pursuant to the Urban Development Action Area Act:

- a) the designation of property located at 302-314 West 127th Street (Block 1953, Lots 36, 37, 38, 39, 40 & 41) 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 or arrest the sound development of the municipality;
- b) 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; and

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 302, 304, 306, and 310 West 127th Street (Block 1953, Lots 36, 37, 38, & 40) in Community District 10, Borough of Manhattan, to a developer to be selected by the Department of Housing Preservation and Development, is approved (C 180115 HAM).

The above resolution (C 180115 HAM), duly adopted by the City Planning Commission on February 28, 2018 (Calendar No. 14), 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 New York City Charter.

**RAYANN BESSER, 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,**
Commissioners



CITY OF NEW YORK
MANHATTAN COMMUNITY BOARD 10
215 West 125th Street, 4th Floor—New York, NY 10027
T: 212-749-3105 F: 212-662-4215

CICELY HARRIS
Chairperson

ANDREW LASSALLE
District Manager

December 6, 2017

Maria Torres-Springer
Commissioner
NYC Housing Preservation and Development
100 Gold Street
New York, NY 10038

Dear Commissioner Torres-Springer:

RE: Uniform Land Use Review Procedure (ULURP) Application # C180115 HAM: Center for Urban Community Services (CUCS) project at 302-314 West 127th Street

On Monday, November 13, 2017, Manhattan Community Board 10's Land Use Committee Meeting heard the development plans for the ULURP application at 302-314 West 127th Street. The applicant is seeking the following ULURP actions:

- Disposition of city-owned property
- Designation as an Urban Development Action Area Project (UDAAP)
- A zoning special permit for the allowable community facility FAR to apply to a non-profit institution with sleeping accommodations

The Land Use Committee voted unanimously in support of the application with the condition that outreach be conducted to the neighboring businesses and residents. In addition, the committee would like the project to reach the lower 30% of AMI to insure more affordability.

At the Wednesday, December 06, 2017 General Board meeting the full board voted in support of the application with a vote of 14 yes, 7 no, 2 abstentions and 1 recusal [Stanley Gleaton]. The board is requesting that the application process have less of an emphasis on credit history as a criteria to be a tenant and more on rent history. It was noted that credit history has been a major impediment for this population specifically in securing housing.

If you have any questions please feel free to reach out to District Manager Andrew Lassalle at 212.749.3105 or at alassalle@cb.nyc.gov.

Sincerely,

Cicely Harris
Board Chairperson
Manhattan Community Board 10



OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN
THE CITY OF NEW YORK

1 Centre Street, 19th floor, New York, NY 10007
(212) 669-8300 p (212) 669-4306 f
431 West 125th Street, New York, NY 10027
(212) 531-1609 p (212) 531-4615 f
www.manhattanbp.nyc.gov

Gale A. Brewer, Borough President

January 25, 2018

Recommendation on ULURP Application C 180116 ZSM - CUCS 127th Street Supportive Housing By The New York City Department of Housing Preservation & Development

PROPOSED ACTION

The New York City Department of Housing Preservation & Development (“HPD”) or “Applicant”) is seeking several proposed actions to facilitate the construction of an affordable housing development located on Block 1953, Lots 36, 37, 38, 39, 40, and 41 in the Central Harlem neighborhood, Community District 10, Borough of Manhattan.

The actions include the designation of city owned property as an Urban Development Action Area (“UDAA”) and Urban Development Action Area Project (“UDAAP”), and the disposition of city-owned property, Lots 36, 37, 38, and 40 to a developer to be selected by HPD.¹ Lastly, HPD is seeking a special permit pursuant to Zoning Resolution § 74-903 to modify Zoning Resolution § 24-111 to allow community facility floor area ratio of up to 6.5 to be applied to a non-profit institution with sleeping accommodations.

Urban Development Action Area and Urban Development Action Area Project Designation

Under Chapter 15, Section 381 of the Charter, the city may acquire property “whenever required for any public or municipal use or purpose or for the promotion of public utility, comfort, health, enjoyment or adornment.”

City-owned properties that are no longer in use or are in deteriorated or deteriorating condition are eligible to be designated as UDAA and UDAAP, pursuant to the Urban Development Area Act (Article 16 of the State General Municipal Law) and the Urban Renewal Law (Article 15 of the State General Municipal Law). UDAA and UDAAP provide incentives for private entities to correct substandard, unsanitary and/or blighted conditions. According to New York State General Municipal Law § 694(4), to receive a UDAA and/or UDAAP designation the City Planning Commission and the City Council must find that:

- (a) the present status of the area tends to impair or arrest the sound growth and development of the municipality;

C 180116 ZSM - CUCS 127th Street Supportive Housing

Page 2 of 9

- (b) the financial aid in the form of tax incentives, if any, to be provided by the municipality pursuant to [the tax incentives provisions of the Urban Development Action Area Act]... is necessary to enable the project to be undertaken; and
- (c) the area designation is consistent with the policy and purposes [of the Urban Development Action Area Act].

Section 197-c of the New York City Charter mandates that the disposition of all City-owned real property (other than the lease of office space) be subject to the Uniform Land Use Review Procedure (“ULURP”). While no specific findings must be met to make a property eligible for disposition under Section 197-c, Section 1802(6)(j) of the Charter limits HPD to the disposition of residential real property.

Special Permit

Pursuant to Zoning Resolution § 74-903, the City Planning Commission (“CPC”) may permit the community facility floor area ratio and the community facility bulk provisions to apply to a development, extension or enlargement, or change of use containing long-term care facilities or philanthropic or non-profit institutions with sleeping accommodations, as set forth in paragraph (a), provided that the following findings are met:

- (1) the distribution of bulk on the zoning lot will not unduly obstruct the access of light and air to adjoining properties or public streets, and will result in satisfactory site planning and satisfactory urban design relationships of buildings to adjacent streets and the surrounding area;
- (2) the proposed facility will not require any significant additions to the supporting services of the neighborhood or provision for adequate supporting services has been made; and
- (3) the streets providing access to such use will be adequate to handle the traffic generated thereby or provision has been made to handle such traffic.

The CPC may request a report from appropriate governmental agencies with respect to community facility uses requesting a special permit under this Section. The Commission may prescribe appropriate conditions and safeguards to minimize adverse effects on the character of the surrounding area.

PROJECT DESCRIPTION

The Proposed Development will consist of the construction of a 12-story building with approximately 116 units affordable to homeless and low-income individuals and families, plus a two-bedroom unit for the superintendent. The proposed use is a non-profit institution with sleeping accommodations under the Use Group 3 community facility provisions.

Background

C 180116 ZSM - CUCS 127th Street Supportive Housing

Page 3 of 9

Lots 36, 37, and 38 were part of previous land use applications in 1996 and 2001. Lot 36 was part of a disposition action undertaken by the Department of Citywide Administrative Services in 1996. It was ultimately disapproved by the City Council on March 21, 1996.² The Community Board (“CB10”) unanimously disapproved the application in that matter. Instead of a disposition, CB10’s resolution requested that the lot remain in the city’s portfolio and an assemblage with the adjacent lots be undertaken for future development.³

In 2001, Lots 36, 37, 38 along with other city-owned properties were part of a disposition action undertaken by the Department of Citywide Administrative Services. The City Planning Commission recommended that the lots in question be disposed of as assemblages to allow for more flexible site planning. The City Council passed a resolution on that matter approving the disposition of several city-owned lots, but removed the instant lots from the approval.⁴ No reason was provided in the council’s resolution.⁵

This proposed development is intended to serve as permanent supportive housing developed by and managed by the Center for Community Urban Services (“CUCS”). CUCS is a not-for-profit organization that provides housing and service programs for homeless and low-income people, particularly those suffering from serious mental illness, HIV/AIDS, and other disabling conditions. CUCS sponsors several service sites throughout Manhattan, Brooklyn, and the Bronx that provide a range of programs and services, including transitional living communities, an outreach program, a job training and employment program, a training, consultation, and housing information services department, a permanent supportive housing program, and psychiatric outreach to the homeless. Individuals are selected for supportive housing services by applying while living in a shelter or through the CUCS street outreach program in coordination with the Manhattan Outreach Consortium, a group they co-founded in 2007 along with Goddard Riverside and Breaking Ground.

In a meeting with my office, the representatives from HPD and CUCS stated that they expect the proposed building’s residents will be split 60/40 between homeless and low income residents. The homeless residents will be selected through the shelter system as well as the CUCS street outreach efforts. Low income families will be selected through the Housing Connect lottery selection system. Residents are expected to be capable of independent living, however, services will be provided for those who require transportation and someone will accompany them to appointments as well.

There will be 24 hour security on site. Additionally, psychiatric and medical staff will be present on site during scheduled hours. We learned that there will also be services available for the children of residents.

In 2015, the NY State Comptroller’s Office audited the New York City Department of Health and Mental Hygiene’s (DOHMH) administration of a contract with CUCS for the period July 1, 2010 through July 15, 2015. The audit included a review of costs claimed by CUCS and paid by DOHMH for the fiscal year ending June 30, 2013. The objectives of the audit were to determine whether DOHMH provided sufficient oversight to ensure that CUCS rendered the prescribed services, and ensured that CUCS was reimbursed only for appropriate contract expenses. A

C 180116 ZSM - CUCS 127th Street Supportive Housing

Page 4 of 9

report was published in February 2016. The State Comptroller's Office made the following findings:⁶

1. DOHMH did not effectively administer certain financial aspects of the contract. As a result, CUCS overbilled DOHMH by about \$1.06 million during the year ended June 30, 2013. The overbillings include \$1.05 million of improperly claimed personal service expenses and \$11,889 of unsupported or inappropriate non-personal service costs.
2. The improper personal service charges included about \$829,000 that was based on unsupported average annual salaries and related fringe benefits instead of actual employee compensation costs incurred by CUCS. For example, a QFR listed \$45,774 as the average annual salary for eight social workers, whose average annual salaries were actually \$36,806. Thus, on an annual basis, CUCS overbilled DOHMH \$8,968 (\$45,774 - \$36,806) for each of the social workers.
3. Reviews conducted by DOHMH's Claims Verification Unit were inadequate and failed to detect the deficiencies in the QFRs submitted by CUCS for program reimbursements.

As a result, the State Comptroller's Office made the following recommendations:

1. Follow up on the unsupported and/or inappropriate expenses (totaling about \$1.06 million) as detailed in this report and recover overpayments, as appropriate.
2. Work with CUCS officials to develop a financial reporting methodology that uses actual program expenses for QFR preparation and reimbursement purposes.
3. Require CUCS to maintain detailed records documenting actual staff work effort between CUCS programs. Further, require CUCS to use actual staff work effort to allocate staff compensation among programs.
4. Enhance financial review/audit procedures to ensure DOHMH does not reimburse CUCS for ineligible costs.

The Department of Health and Mental Hygiene filed a formal response with the NY Comptroller's Office on November 17, 2015 refuting the State Comptroller's findings and disagreed with their recommendations. No further action was taken by the Comptroller's Office.

Area Context

The proposed Project Area is in the Central Harlem neighborhood of Manhattan Community District 10. It is bounded by West 127th Street to the north, West 126th Street to the south, St. Nicholas Avenue to the west, and Frederick Douglass Boulevard to the east.

The properties within approximately 600 feet of the Project Area are zoned R7-2, R8, R8A, C4-4D, and C4-4A and are predominantly developed with multifamily residential buildings. Building heights range from 5 to 14 stories.

The majority of the surrounding area is zoned R7-2, a medium density non-contextual zoning district that permits residential and community facility development with a maximum FAR of 3.44 on narrow streets for residential use and 6.5 for community facility use. Building heights in R7-2 districts are governed by the sky exposure plane which begins 60 feet above the street line. Buildings in R7-2 districts may also be built to Optional Quality Housing regulations.

To the south of the Project Area is the Special 125th Street District. Some of the goals of the special district are to protect and promote the special character of 125th Street as Harlem's "Main Street," expand the retail and commercial character of 125th Street, and promote the creation of visual and performing arts space. The portion of the special district within 600 feet of

C 180116 ZSM - CUCS 127th Street Supportive Housing

Page 5 of 9

the Project Area is zoned C4-4D and C4-7. The C4-7 district permits a maximum FAR of 10.0 for both residential and commercial uses. The C4-4D district is a medium density contextual district with a maximum FAR of 3.4 for commercial use and 6.02 for residential use.

The surrounding area is characterized by a diverse stock of commercial, residential, and institutional uses. It is primarily characterized by mixed-use development, primarily residential with ground-floor retail along Frederick Douglass Boulevard and St. Nicholas Avenue.

Commercial and institutional uses are concentrated southeast of the Project Area especially along West 125th Street. A U.S. Social Security Administration office is located south of the Project Area on 126th Street and Frederick Douglass Boulevard. The world famous Apollo Theater is located just two and a half blocks east of the Project Area on West 125th Street.

The surrounding area also contains a mixture of building types. The block immediately to the north of the Project Area is the location of the Bolton (C 080219 ZMM), a 12-story mixed-use residential building with ground floor commercial uses. The West 127th Street Rezoning in 2008 facilitated that development. The St. Nicholas Houses, a NYCHA development with thirteen 14-story buildings is located immediately northeast of the Project Area. The Frederick, a 15-story affordable, mixed-use development which is the subject of a recently approved land use application, will be one block north of the Project Area.

The area immediately surrounding the Project Area is well served with open space. St. Nicholas Park, a 23-acre park extending from West 128th Street to West 141st Street begins just one block north of the Project Area.

The Project Area is within a Transit Zone and is well served by public transit. Access to the A, B, C, and D subway lines is available at West 125th Street and St. Nicholas Avenue, two blocks southwest of the Project Area. Access to the 2 and 3 subway lines is available at West 125th Street and Malcolm X Boulevard, four blocks southeast. Bus service is also available near the Project Area. The M10 bus runs along Frederick Douglass Boulevard and the M3 runs along St. Nicholas Avenue. The Bx15, the M100, M101, and M104 are accessible at West 125th Street.

The area is also home to a number of houses of worship and cultural institutions. The Great Zion Hill Baptist Church is adjacent to the Project Area, and the Unity Funeral Chapel is a half block east.

Project Area / Project Site

The proposed Development Site and the Project Area are one and the same. It consists of three unimproved City-owned interior tax lots (Block 1953, Lots 37, 38, 40), a City-owned lot improved with a vacant 1-story community facility building (Lot 36), an unimproved lot owned by CUCS (Lot 39), and a lot owned by CUCS improved with two adjoining 4-story buildings (Lot 41). The buildings located on Lot 41, known as "The Kelly", currently serve as transitional housing operated by CUCS. The contiguous lots will form a single 15,077 sq. ft. zoning lot with approximately 171 feet of frontage on 127th Street.

The Development Site is also within a FRESH Program area.

Proposed Project

The Proposed Development will consist of the construction of a 12-story building with approximately 116 units affordable to homeless and low income individuals and families. A two-bedroom unit will also be included for the building's superintendent. There will also be 1,200 square feet of community facility space that is expected to be used for meetings by building tenants and neighborhood residents. The proposed use is a non-profit institution with sleeping accommodations under the Use Group 3 community facility provisions.

The proposed building will contain approximately 96,898 square feet of community facility floor area with an FAR of 6.5. The building will incorporate a 15 and 16 foot setback from the streetline. It will stand 119'2" feet tall. A 30 foot landscaped rear yard with an outdoor patio for passive recreation will be located on the ground floor.

34 of the units in the Proposed Development would be reserved for homeless adults with Serious and Persistent Mental Illness ("SPMI"). Approximately 36 units would be reserved for homeless families with a head of household living with SPMI or Mental Illness and Chemical Abuse ("MICA"). An additional 46 units would be affordable to low-income individuals and families at 60 percent Area Median Income (AMI).

Proposed Actions

As previously noted, the proposed project would create a 12-story building with affordable units for homeless and low income individuals and families. To facilitate this development, the following actions are required:

Urban Development Action Area Project Designation, Project Approval, and Disposition

The Project Area is comprised Lots 36, 37, 38, 39, 40, and 41 on Block 1953. The property fronts on 127th Street between Frederick Douglass Boulevard and St. Nicholas Avenue. The applicant describes the Project Area as vacant property, which tends to impair or arrest the sound development of the surrounding community, with or without tangible blight. Incentives are needed in order to induce the correction of these substandard, insanitary, and blighting conditions. The proposed project is intended to promote and protect health and safety while also promoting sound growth and development. The applicant asserts that the Project Area is, therefore, eligible to be an Urban Area Action Area Project pursuant to Article 16 of the General Municipal Law.

Zoning Special Permit

The applicant is seeking approval of a special permit pursuant to ZR § 74-903 to modify the FAR requirements of ZR § 24-111, which permit community facility FAR of up to 6.5 pursuant to ZR § 24-11 to be applied to a non-profit institution with sleeping accommodations. An as-of-right development of a non-profit institution with sleeping accommodations would be limited to an FAR of 3.44 in the R7-2 zoning district and a 6.02 FAR in the portion zoned R8. The

applicant is seeking a special permit that would permit a total FAR of 6.5. The as-of-right development would be a total of 60,435 square feet as opposed to the proposed building's floor area of 96,898 square feet. The as-of-right maximum floor area would be approximately 40 percent smaller than the proposed building, therefore producing significantly less affordable housing units.

ZR § 24-903 permits a FAR up to 6.5 for non-profit institutions with sleeping accommodations if the following findings are met: 1) access of light and air to the adjoining properties or public streets; 2) the provision of adequate supportive services; and 3) the adequacy of the streets providing access to the facility to handle the traffic generated by it.

The instant application was accompanied by a Statement of Findings ("Statement") which addressed the special permit findings. The Statement of Findings offers a detailed explanation as to why the Proposed Development would not obstruct light and air to adjoining properties or public streets. It also describes the services that would be provided on-site to residents of the project and asserts that it will not result in an increased demand on surrounding facilities or require additional supportive services in the community. Finally, the Statement offers a detailed explanation supporting the EAS conclusion that neither transit nor pedestrian thresholds will be exceeded, and concludes that the surrounding streets providing access to the proposed development will be adequate to handle the traffic generated.

COMMUNITY BOARD RECOMMENDATION

On Monday, November 13, 2017, Manhattan Community Board 10's Land Use Committee Meeting heard the development plans for instant ULURP application. The Land Use Committee voted unanimously in support of the application with the condition that outreach be conducted to the neighboring businesses and residents. In addition, the committee requested the project offer units for residents with an income at 30 percent of AMI to insure more affordability.

At the Wednesday, December 06, 2017 General Board meeting the full board voted in support of the application with a vote of 14 in the affirmative, 7 in the negative, 2 abstentions and 1 recusal. The resolution to approve the project contained the additional request that the application process have less of an emphasis on credit history as criteria for tenants and a greater emphasis on rent history. It was noted that credit history has been a major impediment for the target population in securing housing.

BOROUGH PRESIDENT'S COMMENTS

The need for supportive housing and affordable housing for low income New Yorkers. Reports by the Department of Homeless Services ("DHS") reveal that the number of homeless New Yorkers sleeping in city shelters is nearly 80 percent higher than it was ten years ago. In 2017 more than 129,000 different homeless men, women, and children slept in the New York City shelter system⁷. According to NYC Homeless Outreach Population Estimate (HOPE) 2017, there were 3,892 unsheltered individuals on New York City streets, many living with mental illness.

C 180116 ZSM - CUCS 127th Street Supportive Housing

Page 8 of 9

There are currently 250,000 people on NYCHA's waiting list, 150,000 on the Section 8 waiting list, and affordable housing developments receive tens of thousands of applications.

The Proposed Project is an excellent example of what can be accomplished with city-owned land. We have a real opportunity to create a permanent home for some of our city's most vulnerable citizens. CUCS has been a leader in engaging with the homeless in our city for decades. CUCS, and others like them, serve individuals who would have succumbed to the perils they face daily and their plight would remain invisible if not for the advocacy of organizations like CUCS. This proposal will create 116 homes for homeless individuals and families while also providing 45 homes affordable to low income families. This is a commendable effort on the part of CUCS and HPD, and the proposal exhibits the best of what this city can do for its citizens when its resources are put to good use.

I have spoken with representatives from HPD about the NY State Comptroller's report in 2016 and I am satisfied by their response to the State Comptroller's Office that the figures presented in the Comptroller's report are inaccurate or mischaracterized. The Department of Health and Mental Hygiene along with HPD remain committed to this project so I am comfortable with the project moving forward at this time.

HPD should take the Community Board recommendation under serious advisement and consider alternative measures to ensure the neighborhoods lowest income residents qualify for the income targeted units. Efforts should be made to create as many deeply affordable units as possible within the 30 percent AMI band.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends approval of ULURP Application No. C 180116 ZSM.



Gale A. Brewer
Manhattan Borough President

C 180116 ZSM - CUCS 127th Street Supportive Housing

Page 9 of 9

¹ The CUCS was selected. They currently manage over 2,200 supportive housing units in Manhattan, Brooklyn, and the Bronx.

² C 960075 PPM

³ Id.

⁴ C 000507 PPM

⁵ Id.

⁶ <http://osc.state.ny.us/audits/allaudits/093016/14n5.pdf>

⁷ http://www.coalitionforthehomeless.org/wp-content/uploads/2018/01/NYCHomelessShelterPopulation-Worksheet1983-Present_Nov2017.pdf