February 19, 2020 / Calendar No. 6

C 200059 ZMK

**IN THE MATTER OF** an application submitted by 90 Sands Street Housing Development Fund pursuant to Sections 197-c and 201 of the New York City Charter for an amendment of the Zoning Map, Section No. 12d:

- 1. Changing from an M1-6 District to an M1-6/R10 District property bounded by the easterly centerline prolongation of Sands Street (narrow portion), Jay Street, High Street, and Pearl Street; and
- 2. Establishing a Special Mixed Use District (MX-2) bounded by the easterly centerline prolongation of Sands Street (narrow portion), Jay Street, High Street and Pearl Street;

Borough of Brooklyn, Community District 2, as shown on a diagram (for illustrative purposes only) dated October 15, 2019.

This application for a zoning map amendment was filed by 90 Sands Street Housing Development Fund Corporation, an entity of Breaking Ground, on August 16, 2019. This application, in conjunction with the related zoning text amendment (N 200060 ZRK), would facilitate the conversion of an existing building to a community facility, which would include 508 units of supportive and affordable housing at 90 Sands Street in the DUMBO neighborhood of Brooklyn, Community District 2.

## **RELATED ACTION**

In addition to the zoning map amendment (C 200059 ZMK) that is the subject of this report, the proposed project also requires action by the City Planning Commission (CPC or Commission) on the following application, which is being considered concurrently with this application:

N 200060 ZRK Zoning text amendment to designate a Mandatory Inclusionary Housing (MIH) area.

## BACKGROUND

The applicant is requesting a zoning map amendment to change an M1-6 zoning district to an M1-6/R10 zoning district, and establish an MX-2 Special Mixed Use District, as well as a zoning text amendment to create an MIH area coterminous with the rezoning area. The project area is a



single approximately 42,000-square foot block (Block 87), bounded by Sands Street to the north, Jay Street to the east, High Street to the south, and Pearl Street to the west. Located within an M1-6 zoning district, the project area consists of two tax lots (Block 87, Lots 5 and 9), one of which is the applicant-owned development site (Lot 9), and one of which is under separate ownership (Lot 5). The two lots function as a single zoning lot built to a floor area ratio (FAR) of 11.00.

The development site (Block 87, Lot 9), consists of an approximately 21,175 square-foot through lot, located at 90 Sands Street, that is improved with an applicant-owned, vacant 29-story, former Use Group 5 transient hotel with 508 rooms, and a gated approximately 7,632-square-foot public plaza. The 90 Sands Street building was constructed in 1993 by Watchtower, a Jehovah's Witnesses organization. The building has an overall building height of approximately 329 feet and is built to an FAR of 7.11. The building benefitted from a 1.08 FAR public plaza bonus. The plaza is located on the eastern portion of the development site along Jay Street between Sands and High streets, and is currently inaccessible and does not meet the criteria for public plazas outlined in New York City Zoning Resolution (ZR) Section 37-70. The applicant and the New York City Department of Housing Preservation and Development (HPD) recorded two regulatory agreements against the development site requiring that the existing building on Lot 9 be rehabilitated and used as a facility combining supportive and affordable housing classified as Use Group 3 (UG 3) non-profit institution containing sleeping accommodations. The other tax lot, 175 Pearl Street (Block 87, Lot 5) is a non-applicant owned approximately 21,218 squarefoot through lot improved with a 3.89 FAR, eight-story loft building, which was converted to Class A commercial offices in 2017.

The surrounding area contains a mix of medium- and high-density commercial, residential, and community facility uses, as well as a variety of open spaces and transit-related infrastructure. Immediately north of the project area across Sands Street are several mixed-use commercial buildings ranging in height from eight- to 12-stories, collectively known as DUMBO Heights, including 77 Sands Street that connects to 175 Pearl Street via a sky bridge. The New York City

College of Technology-City University of New York (CUNY) Voorhees Hall, an eight-story academic building, is located immediately south of the project area across High Street. There are many multi-family residential buildings south of the project area, including Concord Village, a condo complex of seven 15-story buildings. A 33-story multi-family residential building with a hotel is located two blocks to the southeast, across Jay Street. The three-story CUNY Environmental Center is located one block west across Pearl Street. Across Jay Street to the east is the elevated Manhattan Bridge approach as well as Manhattan Bridge Small Park and Trinity Park, both New York City Department of Parks and Recreation owned mapped parks. The area is served by the A and C subway lines, with a station one block west of the project area at Adams Street, and the F subway line, which has a station three blocks north of the project area at York Street. The B67 bus line runs along portions of Jay, Front, and York streets providing access to the Brooklyn Navy Yard and Downtown Brooklyn, and the B69 bus line runs along Sands Street, and connects the area to the Brooklyn Bridge and Kensington neighborhood.

Three blocks north of the project area is the MX-2 Special Mixed Use District (C 090310 ZMK). In 1999, the CPC approved the creation of Brooklyn's first Special Mixed Use District to allow residential conversions and new construction between the Manhattan and Brooklyn bridges, and a mix of commercial, residential, and manufacturing uses.

The project area is currently within an M1-6 zoning district. M1-6 is a high-density manufacturing and commercial zoning district that allows a maximum FAR of 10.0. Select community facility uses are also allowed up to an FAR of 10.0. The base FAR may be increased to 12.0 by providing a public plaza or arcade. Transient hotels are only permitted by CPC special permit. M1 zoning districts do not permit residential use or community facilities other than houses of worship and medical offices. Building heights are regulated by a sky exposure plane beginning at six stories above the street line. Parking is not required.

The applicant proposes to pair the existing M1-6 zoning district with an R10 zoning district and to establish an MX-2 Special Mixed Use District coterminous with the project area. The

proposed rezoning would generally maintain the existing use and bulk regulations within M1-6 districts. However, transient hotels would no longer require a CPC special permit, and residential and community facility uses would be permitted as-of-right. R10 is a high-density residential district that allows residential and community facility uses up to 10.0 FAR. When mapped with MIH, the maximum FAR may be increased to 12.0 pursuant to the Inclusionary Housing bonus. R10 districts within Special Mixed Use Districts allow a maximum base height of 110 feet and a maximum building height of 350 feet. The 350-foot maximum building height may be exceeded by four stories or 40 feet, whichever is less, provided that the gross area of each story located above the maximum building height does not exceed 80 percent of the gross area of the story directly below it. Parking is required for 40 percent of the market rate dwelling units.

The applicant also proposes an amendment to Appendix F of the ZR to designate an MIH area coterminous with the project area. The proposed text amendment would map MIH Options 1 and 2. Option 1 requires that 25 percent of residential floor area be set aside for households with incomes averaging 60 percent of the Area Median Income (AMI), with 10 percent residential floor area set aside for households with incomes averaging 40 percent of the AMI. Option 2 requires that 30 percent of residential floor area be set aside for households with incomes averaging 80 percent of the AMI. No more than three income bands can be used and no income band can exceed 130 percent of the AMI.

The proposed actions would facilitate the conversion of the existing building at 90 Sands Street (Block 87, Lot 9) to a UG 3 non-profit institution with sleeping accommodations, with 60 percent supportive housing and 40 percent affordable housing. The proposed conversion would have a total of 508 units, containing 305 units of supportive housing for formerly-homeless adults. There would be 202 units affordable to low- and moderate-income households, with incomes ranging from 30 to 100 percent of the AMI. The building's renovation would alter the two lower floors to accommodate office space for social services and tenant amenities, including a laundry room, fitness room, and computer lab. The ground floor would include a reception desk with 24/7 security and a community room for use by building residents. The applicant team

expects to lease a portion of the building's upper and lower cellars, which would be accessible via the plaza on Jay Street, to a community facility, commercial, or light industrial tenant. The Center for Urban Community Services (CUCS) would provide on-site social services to residents of the building, including case management, primary medical care, mental health services, employment readiness guidance, and benefits counseling.

## **ENVIRONMENTAL REVIEW**

This application (C 200059 ZMK), in conjunction with the application for the related action (N 200060 ZRK), 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 lead is the City Planning Commission. The designated CEQR number is 20DCP018K.

## **UNIFORM LAND USE REVIEW**

This application (C 200059 ZMK) was certified as complete by the Department of City Planning on October 15, 2019 and was duly referred to Community Board 2 and the Brooklyn Borough President in accordance with Title 62 of the Rules of the City of New York, Section 2-02(b), along with the related application for a zoning text amendment (N 200060 ZRK), which was duly referred in accordance with the procedures for non-ULURP matters.

## **Community Board Public Hearing**

Brooklyn Community Board 2 held a public hearing on this application (C 200059 ZMK) on November 20, 2019, and on December 11, 2019, by a vote of 39 in favor, none opposed, and none abstaining, recommended approval of the application.

## **Borough President Recommendation**

The Brooklyn Borough President held a public hearing on this application (C 200059 ZMK) on December 10, 2019, and on January 15, 2020 issued a recommendation to approve the

application:

"Be it further resolved:

- 1. That Breaking Ground and/or Center for Urban Community Services (CUCS):
  - a. Collaborate with locally-based housing advocates to promote lottery awareness and readiness
  - b. Identify (to the extent practical) potential tenants among those former residents of Brooklyn Community District 2 (CD 2), and/or those being accommodated in transitional housing within the district
  - c. Target eligibility and outreach to seniors, including those who are formerly homeless, for studio and one-bedroom units with rents based on 30 and 40 percent of AMI
- 2. That Breaking Ground
  - Set aside a portion of nonresidential space at 90 Sands Street for local arts or cultural groups and industrial food preparation user, or partner with one or more manufacturing non-profits to secure one or more such operators, at below-market rents
  - b. Coordinate modifications to the 90 Sands Street public plaza with Brooklyn Community Board 2 (CB 2) and local elected officials
  - c. Set aside space for bike storage and/or consider placing bike racks on the sidewalk and/or public plaza resign
- 3. That the New York City Department of Transportation (DOT):
  - a. Coordinate the establishment of a CitiBike docking station on a 90 Sands Street frontage
  - Fully extend protected bicycle lanes along Jay and Sands Streets around the development block
- 4. That the City Planning Commission (CPC) and/or City Council call for the modification of the Mandatory Inclusionary Housing (MIH) section of the New York City Zoning Resolution (ZR) pertaining to MIH-designated areas 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 more rent than what the housing lottery offers) to qualify for such affordable housing units pursuant to MIH."

## **City Planning Commission Public Hearing**

On January 8, 2020 (Calendar No. 2), the City Planning Commission scheduled January 22, 2020, for a public hearing on this application (C 200059 ZMK), in conjunction with the related application (N 200060 ZRK). The hearing was duly held on January 22, 2020 (Calendar No. 23). Four speakers testified in favor of the application, and none in opposition.

An applicant team consisting of the land use attorney, landscape architect and representative from Breaking Ground spoke in favor of the application.

The applicant's land use attorney described the project area, the surrounding context, the proposed development and the requested actions. She noted that the blocks to the north were zoned M1-6 and that blocks to the west, south and east were zoned R7-1, R7-2 and R6, respectively, and that under the proposed MX district, residential, community facility and industrial uses would be permitted within the rezoned area. She also stated that the applicant intends to seek a Chairperson's Certification, in spring 2020, to redesign and open the existing unused plaza to the public and to bring the space into greater compliance with ZR Section 37-70.

A representative of Breaking Ground described the organization's history and the proposed project's programmatic needs. She also described the proposed supportive services. She stated that CUCS would provide services onsite, which would be available for all tenants in the building. She also described a breakdown of the proposed building's unit mix.

The landscape architect described the existing plazas conditions and provided an overview of the proposed design elements. She noted that the proposal would open the currently inaccessible,

gated, plaza space to the public and remove the existing fencing. She also noted that the plaza would be brought into greater compliance with current design standards and would include a variety of seating types, including benches and moveable seating, as well as tables and plantings.

There were no other speakers and the hearing was closed.

## CONSIDERATION

The Commission believes that this application for a zoning map amendment (C 200059 ZMK), in conjunction with the related application for a zoning text amendment (N 200060 ZRK), is appropriate.

Together, these actions will facilitate the conversion of an existing building to a community facility containing 305 supportive housing units for formerly homeless adults, and 202 affordable housing units targeted to households earning 30 to 100 percent of the AMI. The redevelopment will provide space for community facility, commercial, or light manufacturing use in a portion of its upper and lower cellars, and renovate an existing gated plaza that will be open for use by the public.

The proposed M1-6/R10 (MX-2) zoning district is appropriate. The proposed M1-6/R10 (MX-2) zoning district will facilitate the reuse of the existing building at 90 Sands Street, which the Commission believes is aligned with the intent of the MX-2 Special Mixed Use District and is consistent with the surrounding zoning, land uses, and built forms throughout the area. The development site is proximate to transit, and the proposed development will convert an existing underutilized site into supportive and affordable housing with social services in an area with a significant need for new income-restricted units.

The Commission notes that the applicant intends to provide non-residential space on the ground floor, which will allow new community facility, commercial, or light industrial tenants to use the space. The Commission emphasizes the importance of providing an active ground floor presence

in order to activate the public plaza space and streetscape. The Commission encourages the applicant to explore potential tenants that support the mission of the non-profit operator, and support residents of the building as well as the surrounding community.

The Commission recognizes that supportive and affordable housing units will be disbursed throughout the entire building and that supportive services will be available to all tenants of the building. The Commission also notes that the applicant intends to maintain and refresh the building's existing units and that five percent of the total units will be renovated to be fully accessible.

The Commission is pleased that the applicant has committed to redesigning and improving the existing underutilized public plaza space on Jay Street, and notes that the applicant will be seeking a Chairperson Certification to bring the space into greater compliance with current design standards. The existing public plaza currently has no seating amenities and has walls and fences separating it from the adjacent sidewalk. The Commission recognizes the importance of improving the existing public plaza's visibility and circulation. The Commission believes that by adding benches, movable seating and tables, and plantings, as well as opening the plaza to the sidewalk and removing the existing fencing, a superior design can be achieved, greatly improving the relationship and pedestrian access between adjacent streets, buildings, and open spaces for both residents and the surrounding community.

The proposed zoning text amendment (N 200060 ZRK) is appropriate. Designating an MIH area coterminous with the rezoning area is consistent with Citywide objectives of promoting production of affordable housing outlined in *Housing New York*. The text amendment will require any future residential development within the rezoned area to set aside 25 to 30 percent of the residential floor area for income-restricted tenants in perpetuity. The Commission notes that the applicant's proposed supportive and affordable units are classified as a community facility use (UG 3 non-profit institution with sleeping accommodations).

The Commission acknowledges the Borough President's recommendations that the applicant use locally based non-profits to serve as the administering agent; identify potential tenants with a local preference; support outreach efforts to assist seniors, including those who are formerly homeless; provide studio and one-bedroom units with rents based on 30 and 40 percent of the AMI; and set aside a portion of nonresidential space for local arts or cultural groups and/or an industrial food preparation user, or partner with manufacturing non-profits to secure tenants at below-market rents. The Commission notes that these recommendations are outside of the scope of this application. However, the Commission notes that Breaking Ground has extensive experience developing and managing affordable housing and that the leasing of affordable housing units would be overseen by a non-profit approved by HPD. The Commission also notes the importance of introducing active ground floor uses at this intersection, a primary corridor connecting Downtown Brooklyn and DUMBO, the importance that ground floor uses and ground floor transparency can play in activating the redesigned public plaza space, and the importance of selecting ground floor tenants that also support the mission of the non-profit operator and provide services and facilities necessary for the residents of the building and surrounding neighborhood.

The Commission acknowledges the Borough President's recommendations that the applicant coordinate modifications of the existing public plaza with Community Board 2 and local elected officials, and to work with the New York City Department of Transportation (DOT) on public realm improvements, but notes that these recommendations are outside of the scope of this application. The Commission encourages the applicant to consider these matters in coordination with Community Board 2, local elected officials, and DOT, where appropriate.

In response to the Borough President's recommendation to modify the Zoning Resolution of the City of New York with regard to eligibility for affordable housing units developed pursuant to MIH, the Commission notes that this is outside the scope of this application. The Commission also notes that the applicant's proposed mix of supportive housing units and affordable housing

units is classified entirely as a UG 3 community facility with sleeping accommodations, so the applicant's proposal is not subject to MIH.

## RESOLUTION

**RESOLVED,** that having considered the Environmental Assessment Statement (EAS), for which a Negative Declaration was issued on October 15, 2019 with respect to this application (CEQR No. 20DCP018K), that the City Planning Commission finds that the action described herein will have no significant impact on the environment; and be it further

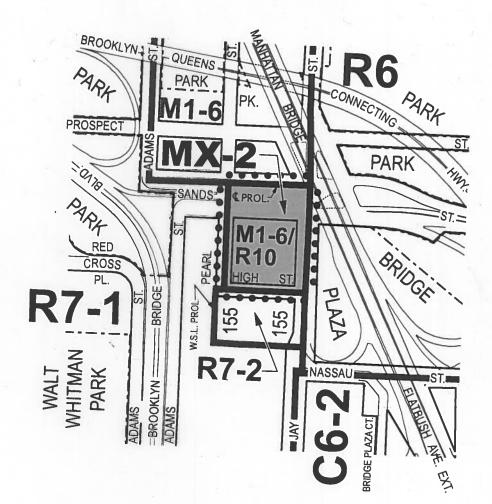
**RESOLVED,** by the City Planning Commission, pursuant to Sections 197-c and 200 of the New York City Charter, that based on the environmental determination and consideration described in this report, the Zoning Resolution of the City of New York, effective as of December 15, 1961, and subsequently amended, is further amended by changing the Zoning Map, Section No. 12d:

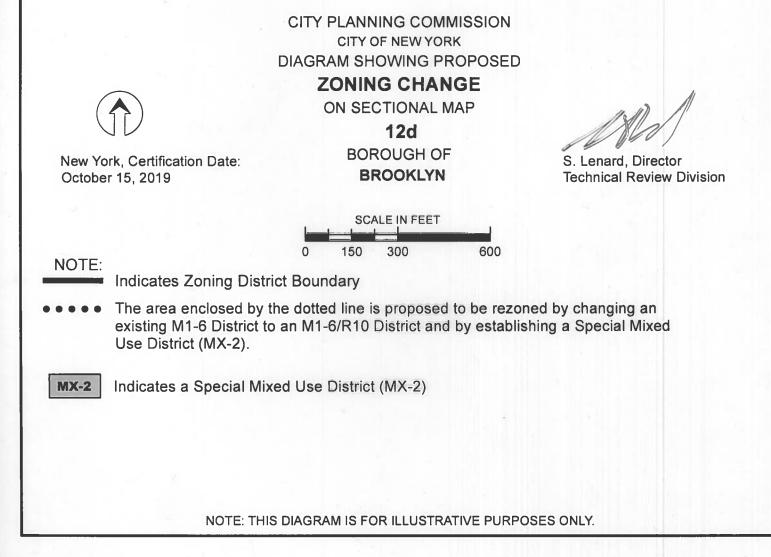
- 1. Changing from an M1-6 District to an M1-6/R10 District property bounded by the easterly centerline prolongation of Sands Street (narrow portion), Jay Street, High Street and Pearl Street; and
- 2. Establishing a Special Mixed Use District (MX-2) bounded by the easterly centerline prolongation of Sands Street (narrow portion), Jay Street, High Street and Pearl Street;

Borough of Brooklyn, Community District 2, as shown on a diagram (for illustrative purposes only) dated October 15, 2019.

The above resolution (C 200059 ZMK), duly adopted by the City Planning Commission on February 19, 2020 (Calendar No. 6), 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.

MARISA LAGO, Chair KENNETH J. KNUCKLES, Esq., Vice-Chairman ALLEN P. CAPPELLI, ALFRED C. CERULLO, III, JOSEPH I. DOUEK, RICHARD W. EADDY, HOPE KNIGHT, ORLANDO MARIN, LARISA ORTIZ, RAJ RAMPERSHAD, Commissioners







Pursuant to the Uniform Land Use Review Procedure

## Application #: C 200059 ZMK

## Project Name: 90 Sands Street Rezoning

CEQR Number: 20DCP018K

Borough(s): Brooklyn

Community District Number(s): 2

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

# SUBMISSION INSTRUCTIONS

- 1. 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 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, 31st Floor, New York, NY 10271
  - FAX: to (212) 720-3488 and note "Attention of the Calendar Office"

2. Send one copy of the completed form with any attachments to the <u>applicant's representative</u> 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 90 Sands Street Housing Development Fund pursuant to Sections 197-c and 201 of the New York City Charter for an amendment of the Zoning Map, Section No. 12d:

- 1. changing from an M1-6 District to an M1-6/R10 District property bounded by the easterly centerline prolongation of Sands Street (narrow portion), Jay Street, High Street and Pearl Street; and
- 2. establishing a Special Mixed-Use District (MX-2) bounded by the easterly centerline prolongation of Sands Street (narrow portion), Jay Street, High Street and Pearl Street;

Borough of Brooklyn, Community District 2, as shown on a diagram (for illustrative purposes only) dated October 15, 2019.

Applicant(s):	A	pplicant's Repres	sentative:
90 Sands Street Housing Development Fund c/o Breaking Ground		udith M. Gallent Bryan Cave Leight	on Paisner I I P
505 8th Avenue		290 Avenue of the	
New York, NY 10018	N	lew York, NY 101	104-3300
	·		
Recommendation submitted by:			
Brooklyn Community Board 2			
Date of public hearing: November 20, 2019 Location: NYU Tandon School, Pfizer Auditorium			
	Eocation. NTO Tandon School, Plizer Auditonum		
Was a quorum present? YES NO A public hearing requires a quorum of 20% of the appointed members of the board,			
but in no event fewer than seven such members. $15 \div 48 = 31\%$			
Date of Vote: December 11, 2019 Location: Bishop Loughlin Memorial High School			
Approve	Approve With Modifications/Conditions		
Disapprove	Disapprove With Modifications/Conditions		
Please attach any further explanation of the recommendation on additional sheets, as necessary.			
Voting			
# In Favor: 39 # Against: Ø # Abstaining: Ø Total members appointed to the board:			
Name of CB/BB officer completing this form	Title		Date
Lenue H. Singletary III fire H apart of	F Chairperson		12/13/2019

Brooklyn Borough President Recommendation CITY PLANNING COMMISSION 120 Broadway, 31<sup>st</sup> Floor, New York, NY 10271 <u>CalendarOffice@planning.nyc.gov</u>

#### INSTRUCTIONS

- 1. Return this completed form with any attachments to the Calendar Information Office, City Planning Commission, Room 2E at the above address.
- Send one copy with any attachments to the applicant's representatives as indicated on the Notice of Certification.

APPLICATION #: 90 SANDS STREET - 200059 ZMK, N 200060 ZRK

An application submitted by 90 Sands Housing Development Fund Corporation, an entity of Breaking Ground, pursuant to Sections 197-c and 201 of the New York City Charter for the following actions: A zoning map amendment to change the block bounded by Jay, High, Pearl, and Sands streets from M1-6 to M1-6/R10, and establish an MX-2 Special Mixed Use District, a zoning text amendment to designate the site a Mandatory Inclusionary Housing (MIH) area, and a further text change to amend the effective date of the existing MX-2 District in the DUMBO neighborhood of Brooklyn Community District 2 (CD 2). Such actions would facilitate the conversion of an existing building to a facility containing 305 supportive housing units, and 202 affordable housing units targeted to households earning 30 to 100 percent of Area Median Income (AMI). The redevelopment would provide space for community facility, commercial, or light manufacturing use in its lower cellar, and renovate an existing gated plaza that would be opened for public use.

COMMUNITY DISTRICT NO. 2

BOROUGH OF BROOKLYN

### RECOMMENDATION

 APPROVE
APPROVE WITH MODIFICATIONS/CONDITIONS  DISAPPROVE
DISAPPROVE WITH MODIFICATIONS/CONDITIONS

SEE ATTACHED

January 15, 2020

BROOKLYN BOROUGH PRESIDENT

DATE

### RECOMMENDATION FOR: 90 SANDS STREET - 200059 ZMK, N 200060 ZRK

90 Sands Housing Development Fund Corporation, an entity of Breaking Ground, submitted an application pursuant to Sections 197-c and 201 of the New York City Charter for the following actions: A zoning map amendment to change the block bounded by Jay, High, Pearl, and Sands streets from M1-6 to M1-6/R10, and establish an MX-2 Special Mixed Use District, a zoning text amendment to designate the site a Mandatory Inclusionary Housing (MIH) area, and a further text change to amend the effective date of the existing MX-2 District in the DUMBO neighborhood of Brooklyn Community District 2 (CD 2). Such actions would facilitate the conversion of an existing building to a facility containing 305 supportive housing units, and 202 affordable housing units targeted to households earning 30 to 100 percent of Area Median Income (AMI). The redevelopment would provide space for community facility, commercial, or light manufacturing use in its lower cellar, and renovate an existing gated plaza that would be opened for public use.

On December 10, 2019, Brooklyn Borough President Eric Adams held a public hearing on this rezoning application. There was one speaker on the item, a representative from Council Member Stephen Levin's office, who expressed support for the project. The representative noted that the redevelopment of 90 Sands Street would advance citywide policy objectives, by using an integrated model approach to move homeless New Yorkers into permanent housing, managed by an experienced nonprofit developer.

In response to Borough President Adams' inquiry regarding the qualifying income range for prospective tenants for the affordable housing units, the anticipated rents based on the number of bedrooms, and the distribution of units by bedroom size, the applicant stated that the affordable housing units would be targeted to one, two, and three-person households at 30 to 100 percent AMI.

- At the 30 percent AMI tier, the project would provide 15 studio units. The maximum annual income would be \$22,410 for eligible one-person households and \$25,620 for two-person households. The units would rent at \$504 per month.
- At the 40 percent AMI tier, the project would provide 15 studios. The maximum annual income would be \$29,880 for qualifying one-person households and \$34,160 for two-person households. These units would rent at \$690 per month.
- At the 60 percent AMI tier, the project would provide 10 studios and five one-bedroom units. For the studios, the maximum annual income would be \$44,820 for eligible one-person households and \$51,240 for two-person households. These units would rent at \$1,064 per month. For the one-bedroom units, the maximum annual income would be \$44,820 for eligible one-person households, \$51,240 for two-person households, and \$57,660 for three-person households. These units would rent at \$1,140 per month.
- At the 80 percent AMI tier, the project would provide 45 studios and 87 one-bedroom units. For the studios, the maximum annual income would be \$59,760 for qualifying one-person households and \$68,320 for two-person households. These units would rent at \$1,280 per month. For the one-bedroom units, the maximum annual income would be \$59,760 for qualifying one-person households, \$68,320 for two-person households, and \$76,880 for threeperson households. These units would rent at \$1,600 per month.
- At the 100 percent AMI tier, the project would provide 25 studios and 30 one-bedroom units. For the studios, the maximum annual income would be \$74,700 for eligible one-person households and \$85,400 for two-person households. These units would rent at \$1,600 per month. For the one-bedroom units, the maximum annual income would be \$74,700 for eligible one-person households, \$85,400 for two-person households, and \$96,100 for three-person households. These units would rent at \$2,000 per month.

In response to Borough President Adams' inquiry as to what types of supportive services would be provided onsite, and whether such services would be intended solely for the supportive housing residents or also available to the rest of the building's residents and the community at large, the applicant stated that the Center for Urban Community Services (CUCS) would provide services onsite, which would be available to all the tenants in the building.

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 CD 2, and whether the applicant's marketing strategy would include a financial literacy campaign to assist local residents in becoming lottery-eligible, the applicant stated that Breaking Ground typically handles the marketing and leasing on its developments. For 90 Sands Street, the applicant would conduct outreach to churches, police precincts, and schools, as well as local organizations and elected officials. The applicant would also make a concerted effort to target seniors, particularly for units at lower AMI tiers. Finally, Breaking Ground would be willing to work with area groups that administer financial literacy campaigns for affordable housing lotteries.

In response to Borough President Adams' inquiry as to what consideration has been given to providing affordable retail or community facility space for local arts and cultural organizations, or for affordable manufacturing space, the applicant clarified that the building's lower cellar is constructed as a commercial kitchen containing 20,000 square feet (sq. ft.). Breaking Ground has reached out to food production operators interested in occupying the space. The applicant believes that due to the size of the facility, it is likely that it would be tenanted by multiple users. There is also a possibility of establishing a job training program for residents of 90 Sands Street.

In response to Borough President Adams' inquiry regarding the incorporation of sustainable features such as blue, green, or white roof coverings, and/or New York City Department of Environmental Protection (DEP) rain gardens, the applicant stated that there are no plans to install rain gardens, as the site does not have any permeable soil. Moreover, the applicant is not required to submit a Builder's Pavement Plan as part of the proposed redevelopment.

Prior to the hearing Borough President Adams received written testimony from the Downtown Brooklyn Partnership in support of the proposed project. The letter cited a citywide need for affordable housing that serves vulnerable population, and noted Breaking Ground's successful record of operating permanent supportive units.

### **Consideration**

Brooklyn Community Board 2 (CB 2) voted to approve this application on December 11, 2019.

The proposed actions would affect a single block consisting of two tax lots in separate ownership, that function as a single zoning lot built to a floor area ratio (FAR) of 11.08. The project lot contains a 29-story, Use Group 5 (UG 5) transient hotel with 508 rooms, and a gated, 7,632 sq. ft. public plaza. The hotel and plaza have a combined built FAR of 7.11. The other lot is occupied by 175 Pearl Street, an as-of-right, 3.89 FAR, eight-story industrial building, which was converted to commercial offices in 2017. The floor area of the hotel benefitted from a 1.08 FAR (46,034 sq. ft.) zoning bonus based on the inclusion of a public plaza. However, the plaza is currently inaccessible and does not meet design criteria for public plazas, according to New York City Zoning Resolution (ZR) Section 37-70.

The 90 Sands Street site was built in 1993 by Watchtower, a Jehovah's Witnesses organization that also owned 175 Pearl Street and a number of buildings in the area. Following its departure from Brooklyn in 2009, Watchtower sold its portfolio of properties in Brooklyn Heights, Downtown Brooklyn, and DUMBO. The 90 Sands Housing Development Fund Corporation purchased the building in 2013, with assistance from the New York City Department of Housing Preservation and Development (HPD),

which provided acquisition financing through the Supportive Housing Loan Program and a tax exemption. The applicant and the agency recorded two regulatory agreements against the property requiring its rehabilitation and use as a facility combining supportive and affordable housing.

The development of 90 Sands Street as a hotel use was pursuant to the site's zoning as an M1-6 district, which dates back to 1967. M1 districts do not permit residential use or community facilities, except houses of worship and medical offices. The 2018 M1 Hotel Text Amendment also disallowed new hotels including transient hotels in M1 zones, except by special permit from the City Planning Commission (CPC). However, as a pre-existing transient hotel, 90 Sands Street remains a legal use in the district.

In order to lift existing restrictions and permit the conversion of 90 Sands Street to a UG 3 non-profit institution with sleeping accommodations, with a 60/40 percent mix of supportive and affordable housing, the applicant has proposed to pair the existing M1-6 with an R10 in an MX district. The building's renovation would alter the two lower floors to accommodate office space for social services and tenant amenities. A portion of the building's upper and lower cellar, which would be accessible via the plaza on Jay Street, is envisioned for occupancy by a community facility, commercial, and/or light industrial use. The adjacent 175 Pearl Street would remain as currently configured.

The surrounding context includes commercial, community facility, and residential uses, as well as pockets of industrial activity and several parks. Immediately north of the site across Sands Street are several commercial buildings collectively known as DUMBO Heights, including 77 Sands Street, which connects to 175 Pearl Street via a sky bridge. The DUMBO Historic District begins at York Street and extends up to the waterfront. South of the site, across Jay Street is the New York City College of Technology (CityTech) school of architecture school, and Concord Village, a mid-complex of seven 15-story co-operatives built in the 1950s. Major open space resources include Manhattan Bridge Small Park, also on Jay Street, Trinity Park, located by the Manhattan Bridge overpass, and Whitman Park, situated southwest of the site, across Adams Street. There is a significant concentration of institutional buildings occupied by government offices.

Brooklyn is one of the fastest growing communities in the New York metropolitan area and the ongoing Brooklyn 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 the borough's affordable housing crisis through the creation and preservation of muchneeded affordable housing units for very low- to middle-income Brooklynites.

Moreover, in Downtown Brooklyn, and across New York City, there is a pressing need for affordable and stable housing, among elderly adults, first-time homebuyers, homeless households, low-income families, single college graduates, and those with special needs. 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.

Borough President Adams supports the redevelopment of underutilized properties for productive uses that address the City's need for additional affordable housing. The land use actions would be consistent with Mayor 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," through the development of affordable and supportive housing for the city's most vulnerable residents.

Borough President Adams supports the development of permanent housing opportunities for those seeking refuge in transitional accommodations. He also supports the strategy of integrating supportive housing into a community by interspersing such units in one building with affordable apartments. This proposal is generally consistent with recent City policy changes that blend supportive housing units

within affordable housing developments that target 40 percent of apartments to low- and moderateincome households.

Borough President Adams supports zoning actions that result in a permanently affordable residential floor area. Under the ownership of Breaking Ground, a mission-driven, non-profit developer, it is expected that both the affordable and supportive dwelling floor area would remain permanently affordable, consistent with Borough President Adams' policies.

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 2015," 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 25 percent or greater. Prioritizing local hiring would assist in addressing this employment crisis.

Additionally, promoting Brooklyn-based businesses, including those that qualify as a Local Business Enterprise (LBE) and a Minority or Woman Business Enterprise (MWBE), is central to Borough President Adams' economic development agenda. The renovation of 90 Sands Street provides opportunities for the Breaking Ground to retain a Brooklyn-based contractor and subcontractor, especially those who are designated LBEs consistent with Section 6-108.1 of the City's Administrative Code, and MWBEs who meet or exceed standards per Local Law 1 (no less than 20 percent participation).

As 90 Sands Street funding includes financing for which HPD contributes no less than \$2 million, Breaking Ground would be required to participate in HPD's MWBE Building Opportunity Initiative's Build Up program, and meet the State's additional labor participation requirements. Borough President Adams believes that, based on the Build Up program and State requirements, there would be reasonable opportunities to address demonstrated disparities in LBE/MWBE participation in affordable housing development process. Development projects that receive HPD subsidies are required to spend at least one quarter of HPD-supported costs on certified MWBEs during the course of design and construction. Developers may adopt a goal higher than the minimum.

Through HPD's initiative, Borough President Adams believes that the project developer should continue the emphasis to retain Brooklyn-based contractors and subcontractors, especially those who are designated LBEs, consistent with Section 6-108.1 of the City's Administrative Code, and LBE and MWBE establishments, as a means to meet or exceed standards per Local Law 1 (no fewer than 20 percent participation).

Borough President supports the proposed redevelopment, which is consistent with his policies regarding the provision of permanently affordable and supportive housing. He encourages Breaking Ground to implement additional practices that would maximize community benefit from the provision of of such affordable and supportive housing units, and to provide opportunity to house seniors, as well as advance low-cost space for any combination of community, cultural, and/or industrial entities. Finally, he calls on City officials to advance measures pertaining to bicycle transportation and housing opportunities for rent-burdened households.

### Maximizing Community Participation in the Affordable and Supportive Housing Units

The leasing of the affordable housing units would be overseen by a non-profit approved by HPD. The leasing agent is responsible for ensuring that the affordable housing complies with HPD's 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 agent would be responsible for submitting an affidavit to HPD attesting that the initial lease-

up of the affordable housing units is consistent with the income requirements, and for following up with annual affidavits to ensure conformity.

Borough President Adams believes that with its extensive experience developing and managing affordable housing, Breaking Ground is well-equipped to maximize community participation in the 90 Sands Street lottery. However, he calls on the developer to augment its efforts with a robust financial literacy campaign, in partnership with other locally-based housing non-profits such as IMPACCT Brooklyn and MHANY. These organizations have successfully implemented educational initiatives to promote lottery readiness for affordable housing developments in CD 2.

The supportive housing units at 90 Sands Street would be filled by CUCS, a social services provider. Typically, supportive housing tenants are located in the homeless shelter system, assessed by professional staff, and then selected by the landlord. Borough President Adams believes that the supportive units at 90 Sands Street provide a significant opportunity to move residents of shelter and/or transitional arrangements into permanent affordable housing. He also sees potential to target recruitment efforts toward persons residing in such accommodations within CD 2, or former residents who have been displaced from such facilities. Borough President Adams calls on CUCS to go beyond standard operating procedures to identify potential tenants among persons in homeless shelters and transitional housing facilities within CD 2 and/or persons in such accommodations outside of CD 2 who formerly resided in the district.

### **Targeting Smaller Deeply Affordable Units to Senior Households**

As a hotel conversion, 90 Sands Street lends itself to primarily studios with some one-bedroom apartments. Such units are well-suited for accommodating senior households. 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 the New York City Department of City Planning's (DCP) "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 2017 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.

Borough President Adams believes that when studios and one-bedroom apartments are rented at 40 percent AMI or below, such units might be more affordable to senior households. According to the applicant, 90 Sands Street would provide 30 studio apartments at 30 and 40 percent AMI, which would be available to one and two-person households.

Borough President Adams believes that there are appropriate ways to assist seniors in becoming eligible for the affordable housing lottery to ensure that they obtain a greater share of such apartments. As there would be 30 studio units affordable to households at 30 and 40 percent AMI, as well as additional studios available to supportive households, he calls on Breaking Ground and CUCS to target outreach to seniors, including those who are formerly homeless.

### Set Aside Portion of Commercial Space for Affordable Local Cultural and/or Industrial Use

It is one of Borough President Adams' policies to assist community-based non-profit organizations with securing affordable space in the borough. These organizations play an important role in the neighborhoods they serve but often struggle to secure the necessary space to expand and sustain their programs. Many cultural entities have contacted the Brooklyn Borough President's Office with these concerns. It has been Borough President Adams' policy to review discretionary land use actions for opportunities to promote cultural and non-profit uses.

In June 2016, Borough President Adams released "All the Right Moves: Advancing Dance and the Arts in Brooklyn," a report examining the challenges for artists in the borough, along with accompanying recommendations. The report highlighted the benefits of arts and dance, which include maintaining physical fitness, promoting creative self-expression, and providing significant contributions to the vibrant culture of Brooklyn. Among the difficulties faced by the Brooklyn arts community is an absence of diversity — according to 2000 United States Census data, fewer than half the individuals working in dance are people of color. Additionally, public funding for the arts in New York City has shrunk dramatically in recent years, by 37 percent from the New York State Council of the Arts (NYSCA), 15 percent from the National Endowment for the Arts (NEA), and 16 percent from the New York City Department of Cultural Affairs (DCLA).

Data show that cultural programs generate a variety of positive effects, which include combating the borough's high rate of obesity. As of 2016, 61 percent of adults are overweight or obese, according to the New York State Department of Health (NYSDOH). Research by the Citizens' Committee for Children of New York has found that such activities also help children succeed in school. Moreover, demand for cultural programs continues to grow across Brooklyn. A 2015 report by the Center for an Urban Future found a 20 percent increase in attendance at events organized by local cultural institutions since 2006.

As presently configured, 90 Sands Street contains approximately 43,750 sq. ft. of cellar space. According to the application, more than 17,000 sq. ft. was envisioned for community facility uses, including CUCS offices, while the remaining approximately 26,700 sq. ft. lower cellar was envisioned for a UG 17 catering or food manufacturing use with needs for a fully outfitted commercial kitchen.

Borough President Adams believes that the proposed redevelopment presents a unique opportunity to provide affordable space for arts and cultural organizations. 90 Sands Street is situated at the intersection of DUMBO and Downtown Brooklyn, which are both hubs for arts, dance, and cultural activities. Unfortunately, many organizations that provide such programming cannot afford to lease space in these neighborhoods. Borough President Adams believes that the inclusion of arts and cultural uses at 90 Sands Street, alongside social services, would provide enrichment to its residents and maximize the project's public purpose. Additionally, a portion of such nonresidential space could be marketed to local arts or cultural groups at below-market lease terms. Therefore, he calls on Breaking Ground to set aside a portion of the upper cellar space for such uses.

Borough President Adams is also concerned about preserving manufacturing jobs in Brooklyn. While traditional manufacturing has declined steadily, the City has seen growth in several sectors, particularly food and beverage production, which has low barriers to entry and employs New Yorkers of diverse socioeconomic backgrounds. Unfortunately, modern industrial businesses face obstacles in finding affordable real estate in the City's manufacturing zones, due to the wide range of commercial uses permitted as-of-right. The City has, to some extent, provided safe-havens from the real estate market through direct and indirect oversight of the Brooklyn Army Terminal (BAT), Brooklyn Navy Yard (BNY), and Bush Terminal. It has also helped industrial non-profits such as Evergreen and the Greenpoint Manufacturing and Design Center (GMDC) to create permanently affordable space for small to medium-sized manufacturers that is leased to such uses at below-market rates. Borough President Adams

believes that providing affordable space for one or more food operators within 90 Sands Street would help maximize the public benefit of the proposed redevelopment.

As the proposed rezoning would retain M1 use provisions, Borough President Adams also believes that the extensive commercial kitchen could supply affordable space for entities that could benefit from such food preparation facilities. He believes that Breaking Ground should seek out such an industrial use, or partner with one or more manufacturing non-profits such as Evergreen or GMDC to secure one or more operators, in consultation with CB 2 and local elected officials.

### **Community Engagement Regarding Public Plaza Improvements**

The building's unused plaza is surrounded by a fenced wall and gates on Jay Street and Sands Street. It contains raised planter beds with trees and shrubs, outdoor lighting, and open, paved space. According to the application, the redevelopment of 90 Sands Street would also entail modifications to bring the Jay Street plaza into compliance with ZR 37-70 and provide access for residents and the public. It should also be noted that the plaza would facilitate access to the cellar for the eventual UG 17 food manufacturing tenant.

The redesign and opening of the plaza would restore a significant amount of open space to the area that had been unlawfully denied during the period of hotel occupancy. Restoring public access would result in a quality-of-life improvement for local residents. Upgrades to the plaza may commence once the applicant has received authorization from the New York City Planning Commission, via a Chairperson's Certification, expected in spring 2020. In order to assure that such re-design becomes the best possible public amenity, Borough President Adams believes that such re-design would benefit from community input. He calls on Breaking Ground to coordinate the process with Community Board 2 (CB 2) and local elected officials to obtain such input.

### Expanding Bikeshare and Protected Bicycle Lanes

Though 90 Sands Street would be adding more than 500 units with no provision for parking, it should be noted that the property is located in a transit zone that includes multiple subways and buses. The Eighth Avenue Express A train stops at High Street with an exit on Adams Street, one and half blocks south of the site, while the Sixth Avenue Local F train, which stops at York Street, two blocks to the north. The B67 and B69 buses, which provide service to Brooklyn Navy Yard, stop mid-block on Sands Street. In addition, 90 Sands Street is located in proximity to the City's bike lane network and two nearby CitiBike stations.

As proposed, 90 Sands Street would not include bicycle parking or storage spaces. Residents would be within walking distance of two CitiBike stations, one with 26 bicycles at Cadman Plaza and Red Cross Place, two blocks to the west, and one with 18 bicycles just outside the York Street station. Borough President Adams believes there is an opportunity to expand access to bicycle transportation either through the provision of bicycle storage as a resident amenity, as well as including bike rack furniture in the sidewalk and/or the redesigned public plaza and a new CitiBike station along one of the 90 Sands Street frontages. He calls on Breaking Ground to consider incorporating dedicated bike storage space within the buildings and coordinate with the Department of City Planning (DCP) and the New York City Department of Transportation (DOT) to incorporate bicycle racks into the public plaza redesign as well as in the sidewalk.

Borough President Adams recognizes that the redevelopment of 90 Sands Street will bring a significant number of new residents to an area defined by highways and truck routes. He believes that the DOT should take steps to address existing pedestrian safety challenges, in anticipation of the expanded volume of foot traffic. One target area for improvement would be extending protected bicycle lanes along Jay and Sands Streets, where there are currently stretches of conventional bicycle lanes or shared lanes.

### Accommodating Rent-Burdened Households in Lieu of Strict Area Median Income Standards

Data shows that more than 80 percent New York City households earning 50 percent of AMI or less are rent-burdened. The crisis is even worse among the lowest income citizens, 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 — over 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, many of them senior citizens.

There are residents living in rented apartments within CD 2 who reside in unregulated housing, or regulated apartments that pay too much of household income towards rent. For ZIP code 11201, disclosed data from the New York City Rent Guidelines Board (RGB) dated June 1, 2017 lists 3,667 such units, representing 51 percent of all rent-stabilized units. The continued significant increase in rents has resulted in an increased rent burden and/or residential displacement. According to the Association for Neighborhood Housing and Development (ANHD), 39 percent of households in CD 2 are rent-burdened. According to an analysis by the Institute for Children, Poverty & Homelessness (ICPH), 20 percent of households in CD 2 spend 50 percent of more of their income on rent, making them severely rent-burdened. There is a pressing need to provide more affordable housing units in this area. Moreover, the City should take steps to help rent-burdened households qualify for as many affordable housing lotteries as possible.

A strict rent-to-income requirement of not exceeding 30 percent of income for yearly rent payment ends up disqualifying many income-challenged households from the affordable housing lotteries. As a result, these rent-burdened households do not meet the housing lottery's minimum household earnings because too often they are already paying the same rent, or are in excess of the rent stated for the affordable housing unit. Thus, the requirement to pay no more than 30 percent of household income is actually hurting people who are already living in substandard housing and are paying more than 30 percent of their income toward housing.

As first noted in his East New York Community Plan ULURP response, Borough President Adams believes that it is time to break the mold in which families that are already paying too much rent for substandard housing are disqualified. Borough President Adams seeks to qualify rent-burdened households to be eligible for selection through the housing lottery process. Such eligibility would ensure rent-burdened households receive the maximum opportunity to secure regulated affordable housing units, expanding the number of eligible households for government-regulated affordable housing lotteries.

One means to address rent burden should be achieved by amending the ZR to adjust the AMI qualifications so they include such households that would maintain or reduce their rent burden. For such lotteries resulting from MIH housing lottery offerings, DCP needs to amend the ZR to allow for exceptions to the 30 percent of income threshold so that households that are burdened, though paying the same or more rent than the lottery unit rent, would be eligible to live in affordable, newly-produced, and quality housing accommodations.

Borough President Adams believes that the CPC and/or the City Council should echo his call to seek the modification of the MIH section of the ZR pertaining to MIH-designated areas to be adopted with a requirement that permits households with rent-burdened status to qualify for such affordable housing units pursuant to MIH.

### **Recommendation**

Be it resolved that the Brooklyn borough president, pursuant to Section 201 of the New York City Charter, recommends that the City Planning Commission (CPC) and City Council <u>approve this application</u>.

### Be it Further Resolved:

- 1. That Breaking Ground and/or Center for Urban Community Services (CUCS):
  - a. Collaborate with locally-based housing advocates to promote lottery awareness and readiness
  - b. Identify (to the extent practical) potential tenants among those former residents of Brooklyn Community District 2 (CD 2), and/or those being accommodated in transitional housing within the district
  - c. Target eligibility and outreach to seniors, including those who are formerly homeless, for studio and one-bedroom units with rents based on 30 and 40 percent of AMI
- 2. That Breaking Ground:
  - a. Set aside a portion of nonresidential space at 90 Sands Street for local arts or cultural groups and industrial food preparation user, or partner with one or more manufacturing non-profits to secure one or more such operators, at below-market rents
  - b. Coordinate modifications to the 90 Sands Street public plaza with Brooklyn Community Board 2 (CB 2) and local elected officials
  - c. Set aside space for bike storage and/or consider placing bike racks on the sidewalk and/or public plaza resign
- 3. That the New York City Department of Transportation (DOT):
  - a. Coordinate the establishment of a CitiBike docking station on a 90 Sands Street frontage
  - b. Fully extend protected bicycle lanes along Jay and Sands Streets around the development block
- 4. That the City Planning Commission (CPC) and/or the City Council call for the modification of the Mandatory Inclusionary Housing (MIH) section of the New York City Zoning Resolution (ZR) pertaining to MIH-designated areas 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 more rent than what the housing lottery offers) to qualify for such affordable housing units pursuant to MIH