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

- 1) pursuant to Article 16 of the General Municipal Law of New York State for:
  - a) the designation of property located at 641 Chauncey Street (Block 3444, Lot 18) as an Urban Development Action Area; and
  - b) as an Urban Development Action Area Project for such area; and
- 2) pursuant to Section 197-c of the New York City Charter for the disposition of such property to a developer to be selected by HPD;

to facilitate the development of a four-story building containing approximately eight affordable housing units, Borough of Brooklyn, Community District 4.

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Approval of three separate matters is required:

1. The designation of property located at 641 Chauncey Street (Block 3444, Lot 18) in the Borough of Brooklyn 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, to a developer selected by HPD.

This UDAAP application (C 200188 HAK) was filed by HPD on November 4, 2019 to facilitate the development of a new four-story building containing approximately eight units of affordable housing at 641 Chauncey Street in the Bushwick neighborhood of Brooklyn, Community District 4.

HPD states in its application that:

“The Project Area consists of underutilized City-owned vacant 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 and the

proposed project is therefore eligible to be an Urban Development Action Area Project pursuant to Article 16 of the General Municipal Law.”

## **BACKGROUND**

HPD is seeking UDAAP designation, project approval, and disposition of City-owned property at 641 Chauncey Street to facilitate the construction of an approximately 8,200-square-foot residential building containing approximately eight affordable homeownership units in the Bushwick neighborhood of Brooklyn, Community District 4.

The development site (Block 3444, Lot 18) consists of a vacant mid-block City-owned tax lot of approximately 4,375 square feet, with 35 feet of lot frontage along Chauncey Street and a depth of 125 feet. It is located on the west side of Chauncey Street and is bounded by Broadway to the south, Moffat Street to the west, and Bushwick Avenue to the north.

The development site is located in an R6 zoning district. R6 districts are residential zoning districts that allow medium-density housing types at a maximum floor area ratio (FAR) of 2.43 for residential uses and 4.8 FAR for buildings containing community facility uses. Buildings may be developed under Height Factor or Quality Housing regulations. Under Height Factor regulations, residential buildings are permitted with no fixed height limits and building envelopes are regulated by an open space ratio and a sky exposure plane, which begins at a height of 60 feet above the street line. Residential development under the optional Quality Housing regulations typically includes high lot coverage buildings set at or near the street line. Height limitations ensure that these buildings are often more in context with the existing buildings in the neighborhood. Quality Housing regulations allow a maximum FAR of 2.2 for residential uses on sites located on a narrow street with a height limit of 55 feet, and a maximum FAR of 3.0 on wide streets with a height limit of 75 feet. Open areas between the street wall and the lot line must be planted and buildings must have interior amenities for residents. Parking is required for 50 percent of dwelling units but can be waived if five or fewer spaces are required.

The area surrounding the development site is also within an R6 zoning district and consists primarily of low- and medium-density residential buildings with a mix of two- to three-story rowhouses and six-story multi-family apartment buildings. C1-3 and C2-3 commercial overlays

are mapped along Broadway, the main commercial corridor of the area. Broadway is characterized by a mix of one- to six-story mixed-use buildings with ground-floor retail spaces that serve local needs, including bodegas, laundromats, restaurants, salons, a grocery store, pharmacies, and convenience stores.

There are also numerous institutional and public facility uses in the surrounding area. The Eddie Harris Residential Facility, a men's shelter, is located immediately south of the development site and the RiseBoro Moffat Garden senior assisted living facility is located immediately north of the development site. Further northeast on the block is the Bushwick Multi-Service Center building, which contains the NYC Human Resources Administration's Department of Social Services offices. The Superior Day Care Center is located southwest of the project area. There are also several religious institutions located within one block of the project area.

The development site is accessible by public transportation and is located within the Transit Zone. The J and Z Chauncey Street station is located two blocks west of the project area at the intersection of Cooper Street and Broadway. Local bus services include the B60, which travels along Cooper Street and Rockaway Avenue, and the B20 and Q24, which travel along Broadway. The B60, B20, and Q24 bus lines provide service to Williamsburg, Bedford Stuyvesant, Ridgewood, Ocean Hill, Brownsville, Canarsie, East New York, Spring Creek, and Jamaica.

The proposed development would be a four-story building containing eight affordable homeownership dwelling units. The building would be developed under Quality Housing regulations and would have a total residential floor area of approximately 8,220 square feet (2.2 FAR) and a total height of approximately 40 feet after a five-foot setback from the lot line. The building would contain a mix of one-, two-, and three-bedroom units. The entrance of the proposed development would be located on Chauncey Street, and there would be landscaping at the front of the building, serving as a buffer between the ground-floor residential unit facing the street and pedestrians. The building would also provide a 2,135-square-foot rear yard that would be planted and seeded with grass and be accessible to all residents through the first floor. No parking would be provided, as the development is located within the Transit Zone.

The units would be offered at a range of income bands between 80 percent and 130 percent of the area median income (AMI) as required by the HPD Open Door Program.

The building would be built to Enterprise Green Communities standards with sustainable features such as thermal insulation and energy re-capture to maintain interior temperature and air quality while minimizing electrical loads. These sustainable features would conserve energy, reduce environmental impacts and promote the health of residents.

### **ENVIRONMENTAL REVIEW**

This application (C 200188 HAK), 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 16HPD099K. The lead agency is HPD.

After a study of the potential impact of the proposed actions, a Negative Declaration was issued on October 18, 2019.

### **UNIFORM LAND USE REVIEW**

In response to the COVID-19 pandemic, the Mayor issued Emergency Executive Order No. 100 on March 16, 2020 that suspended certain time requirements relating to the Uniform Land Use Review Procedure (ULURP) and other land use processes as of March 12, 2020. The suspension included portions of sections 195, 197-c and 197-d of the New York City Charter, as well as sections of the Administrative Code and the Rules of the City of New York, pertaining to time limitations. The City Planning Commission (CPC) ceased meeting immediately after issuance of the Executive Order until August 3, 2020, when the regular schedule of meetings was resumed. The ULURP time requirements suspended by Emergency Executive Order No. 100 are expected to begin running by September 14, 2020.

This application (C 200188 HAK) was certified as complete by the Department of City Planning on November 12, 2019 and duly referred to Brooklyn Community Board 4 and the Brooklyn

Borough President in accordance with Title 62 of the Rules of the City of New York, Section 2-02(b).

### **Community Board Public Hearing**

Brooklyn Community Board 4 held a public hearing on this application (C 200188 HAK) on December 18, 2019, and on January 15, 2020, by a vote of 35 in favor, none opposed, and one abstaining, adopted a resolution recommending approval of the application with the following condition:

- “ - A response to a question about RiseBoro/the applicant taking a developer’s fee and if that could be disclosed. (A preliminary answer was provided at the meeting.)
- Providing resources to bridge the gap between HPD’s HomeFirst Program and AMI level eligibility
- A commitment to market locally regardless of the result of the pending lawsuit
- A commitment to permanent affordability”

### **Borough President Recommendation**

The Brooklyn Borough President held a public hearing on this application (C 200188 HAK) on January 29, 2020 and on February 19, 2020 issued a recommendation to approve the application with the following conditions:

“That the New York City Department of Housing and Preservation and Development (HPD) memorialize the following requirements in its Land Disposition Agreement (LDA) or Regulatory Agreement with RiseBoro Community Partnership Inc.:

- a. A mechanism to ensure that the affordable housing would remain affordable in perpetuity
- b. The provision of additional units at 80 and 90 percent AMI income eligibility tiers, with a greater percentage of two-bedroom dwellings, as a means to increase opportunities for moderate-income families
- c. Utilize locally-based affordable housing non-profits to assist with affordable housing lottery outreach and readiness efforts

- d. Incorporation of resiliency and sustainability measures such as blue/green/white roof finishes, passive house construction principles, and solar panels across the five NIHOP sites.
- e. A demonstration of commitment to coordinate with the New York City Department of Environmental Protection (DEP), the New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (NYC Parks) regarding the installation of street trees with enlarged tree pits as part of the Builders Pavement Plan, in consultation with Brooklyn Community Board 4 (CB 4) and local elected officials.”

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

On February 19, 2020 (Calendar No. 1), the CPC scheduled March 4, 2019 for a public hearing on this application (C 200188 HAK). The hearing was duly held on March 4, 2020 (Calendar No. 14). Two speakers testified in favor of the application and none in opposition.

A representative from HPD described the zoning action and the context of the proposed development. The speaker also noted that the project would be a 100 percent affordable building and provide affordable homeownership opportunities through HPD’s Open Door program. A representative from the development team described the proposed development, including the design, the unit mix, and building amenities. The speaker described the site plan and building elevations, highlighting consideration for a community mural on the north façade. He also noted that the development would be built to Enterprise Green Communities standards. Additionally, the development team representative provided the overall proposed AMI levels of the units, eligible income levels, and expected sale prices.

There were no other speakers and the hearing was closed.

### **CONSIDERATION**

The CPC believes that this application for UDAAP designation, project approval, and disposition of City-owned property (C 200188 HAK) is appropriate.

The proposed action will facilitate the redevelopment of a vacant and undeveloped lot into a new four-story cooperative residential building with eight affordable homeownership units, providing much-needed affordable homeownership opportunities in Bushwick. The site is well served by public transportation, local retail and commercial uses, and community facilities throughout the surrounding area. Redeveloping this vacant lot with an affordable home-ownership residential building will return this lot to productive use, allowing eight families to live sustainably near services and transit.

The building's five-foot setback from the street line will provide space for landscaping at the front of the building, continuing the street wall formed by adjacent buildings. The new plantings will serve as a buffer, providing privacy for the ground-floor residential unit facing the street while contributing to an inviting streetscape and pedestrian experience. The building's rear yard that will serve as shared outdoor recreational space with bicycle storage.

The CPC supports the creation of affordable homeownership units. The CPC encourages the developer to consider legal commitment to maintain a commitment to the long-term affordability of the building beyond the 40-year term of the Open Door Program. The CPC recognizes that the Housing Development Fund Corporation (HDFC) cooperative will be responsible for the management and maintenance of the building, but encourages HPD and the developer to ensure upkeep while the homeowners work to establish a management system.

In response to the Borough President's recommendations for HPD to memorialize certain terms in its Land Disposition Agreement with the developer, the CPC notes that these requests are outside the scope of this application.

## **RESOLUTION**

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

**WHEREAS**, the Department of Housing Preservation and Development has recommended the designation of property located along Chauncey Street between Moffat Street and Broadway

(Block 3444, Lot 18) in Community District 4, Borough of Brooklyn, as an Urban Development Action Area;

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

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

- a) The designation of property located at 641 Chauncey Street (Block 3444, Lot 18) in the Borough of Brooklyn as an Urban Development Action Area;
- b) An Urban Development Action Area Project for such area; 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 the report, the application of the Department of Housing Preservation and Development, for the disposition of city-owned property located at 641 Chauncey Street between Moffat Street and Broadway (Block 3444, Lot 18) in Community District 4, Borough of Brooklyn, to a developer to be selected by the Department of Housing Preservation and Development, is approved.

The above resolution (C 200188 HAK), duly adopted by the City Planning Commission on August 19, 2020 (Calendar No. 10), 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*

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



Application #: **C 200188 HAK**

Project Name: **Old Stanley - 641 Chauncey**

CEQR Number: **16HPD099K**

Borough(s): **Brooklyn**

Community District Number(s): **4**

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

*Docket Description:*

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

1) pursuant to Article 16 of the General Municipal Law of New York State for:

- a) the designation of property located at 641 Chauncey Street (Block 3444, Lot 18) as an Urban Development Action Area; and
- b) as an Urban Development Action Area Project for such area; and

2) pursuant to Section 197-c of the New York City Charter for the disposition of such property to a developer to be selected by HPD; to facilitate the development of a four-story building containing approximately eight affordable housing units, Borough of Brooklyn, Community District 4.

<b>Applicant(s):</b> Department of Housing Preservation and Development 100 Gold Street New York, NY 10038	<b>Applicant's Representative:</b> Rona Reodica NYC Housing Preservation & Development 100 Gold Street New York, NY 10038
<b>Recommendation submitted by:</b> Celestina Leon	
<b>Date of public hearing:</b> 12/18/19 <b>Location:</b> 195 Linden Street (11221)	
<b>Was a quorum present?</b> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> <i>A public hearing requires a quorum of 20% of the appointed members of the board, but in no event fewer than seven such members.</i>	
<b>Date of Vote:</b> 1/15/20 <b>Location:</b> 195 Linden Street (11221)	
<b>RECOMMENDATION</b> <input type="checkbox"/> Approve <input checked="" type="checkbox"/> Approve With Modifications/Conditions <input type="checkbox"/> Disapprove <input type="checkbox"/> Disapprove With Modifications/Conditions	
<b>Please attach any further explanation of the recommendation on additional sheets, as necessary.</b>	
<b>Voting</b> # In Favor: 35    # Against:    # Abstaining: 1      Total members appointed to the board: 49	
<b>Name of CB/BB officer completing this form</b> Celestina Leon	<b>Title</b> District Manager
<b>Date</b> 1/17/20	

THE CITY OF  
NEW YORK



**BUSHWICK**

**ELECTED OFFICIALS**

HON. ERIC ADAMS  
Borough President

HON. ANTONIO REYNOSO  
34th Council District

HON. RAFAEL ESPINAL  
37th Council District

**OFFICERS**

JOSHUA BROWN  
1st Vice Chairperson

ANNE GUINEY  
2nd Vice Chairperson

ACIRE POLIGHT  
Recording Secretary

ELISEO RUIZ  
Financial Secretary

GARDEA CAPHART  
Treasurer

ELVENA DAVIS  
Correspondence Secretary

ODOLPH WRIGHT  
Parliamentarian

Community Board No. 4  
1420 Bushwick Avenue, Suite 370  
Brooklyn, New York, 11207-1422

Telephone: 718-628-8400  
Fax: 718-628-8619  
Email: [bk04@cb.nyc.gov](mailto:bk04@cb.nyc.gov)  
Website: [www.nyc.gov/brooklyn4](http://www.nyc.gov/brooklyn4)

Robert Camacho - Chairperson  
Celestina Leon - District Manager

January 21, 2020

Marisa Lago, Director/Chair  
NYC Department of City Planning  
120 Broadway, 31<sup>st</sup> Floor  
New York, NY 10271

RE: 641 Chauncey Street (Block: 3444, Lot: 18), Application #C200188HAK

Dear Director Lago,

At the January 15<sup>th</sup> Public Hearing and Regular Meeting of Brooklyn Community Board 4, the full board voted on the recommendation of yes with conditions from the board's Housing and Land Use Committee for the Old Stanley project, including the proposed plans for 641 Chauncey Street. Thirty-five board members were in favor and one abstained.

The recommendation was yes with the following conditions:

- A response to a question about RiseBoro/the applicant taking a developer's fee and if that could be disclosed. (A preliminary answer was provided at the meeting.)
- Providing resources to bridge the gap between HPD's HomeFirst program and AMI level eligibility
- A commitment to market locally regardless of the result of the pending lawsuit
- A commitment to permanent affordability

The representatives from RiseBoro and HPD made public commitments to the above, noting that they continue to pursue diverse opportunities that reflect the needs of the community. Both board and community members emphasized that the AMI levels remain out of reach to the average Bushwick resident.

Community Board 4 continues to advocate for projects that improve the quality of life for all Bushwick residents. Should you have any questions, please do not hesitate to contact me in the board's office at (718) 628-8400.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Celestina Leon'.

Celestina Leon  
District Manager



### Email/Fax Transmittal

<b>TO:</b> Brooklyn Community District 4 Distribution	<b>FROM:</b> Brooklyn Borough President Eric L. Adams
<b>DATE: February 19, 2020</b>	<b>CONTACT:</b> Inna Guzenfeld – Land Use Coordinator Phone: (718) 802-3754 Email: iguzenfeld@brooklynbp.nyc.gov
<b>ULURP Recommendation:</b> OLD STANLEY – 641 CHAUNCEY – 200108 HAK	<b>NO. Pages, Including Cover: 10</b>

Attached is the recommendation report for ULURP application 200108 HAK. If you have any questions, please contact Inna Guzenfeld at (718) 802-3754.

### Distribution

NAME	TITLE	OFFICE	EMAIL
<b>Marisa Lago</b>	Chair, City Planning Commission (CPC)	(212) 720-3356	ygruel@planning.nyc.gov
<b>Corey Johnson</b>	Speaker, City Council	(212) 564-7557	speakerjohnson@council.nyc.gov
<b>Winston Von Engel</b>	Director, Brooklyn, New York City Department of City Planning (DCP)	(718) 780-8280	wvoneng@planning.nyc.gov
<b>Alex Sommer</b>	Deputy Director, Brooklyn, DCP	(718) 780-8271	asommer@planning.nyc.gov
<b>James Merani</b>	Director, Land Use Review, DCP	(212) 720-3362	jmerani@planning.nyc.gov
<b>Raju Mann</b>	Director, Land Use Division, City Council	(212) 788-7207	rmann@council.nyc.gov
<b>Amy Levitan</b>	Land Use Division, City Council	(212) 788-7207	alevitan@council.nyc.gov
<b>Julie Dent</b>	Chair, Brooklyn Community Board (CB 4)	(718) 628-8619	bk04@cb.nyc.gov
<b>Celestina Leon</b>	District Manager, CB 4	(718) 628-8619	bk04@cb.nyc.gov
<b>Lin Zeng</b>	Director of Brooklyn Planning, New York City Department of Housing Preservation and Development (HPD)	(212) 863-5327	zengl@hpd.nyc.gov
<b>Richard Bearak</b>	Director, Land Use, BBPO	(718) 802-4057	rbearak@brooklynbp.nyc.gov

**Brooklyn Borough President Recommendation**

CITY PLANNING COMMISSION

120 Broadway, 31<sup>st</sup> Floor, New York, NY 10271

[CalendarOffice@planning.nyc.gov](mailto:CalendarOffice@planning.nyc.gov)



**INSTRUCTIONS**

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

**APPLICATION**

OLD STANLEY – 641 CHAUNCEY – 200108 HAK

An application submitted by the New York City Department of Housing Preservation and Development (HPD) pursuant to Article 16 of the General Municipal Law of New York State to designate a property at 641 Chauncey Street as an Urban Development Action Area, and an Urban Development Action Area Project (UDAAP), and pursuant to Section 197-c of the New York City Charter, for the disposition of such property to a developer selected by HPD. Such action would facilitate the construction of a four-story residential building with eight affordable homeownership units in Brooklyn Community District 4 (CD 4). This application is part of a larger New Infill Homeownership Opportunity Program (NIHOP) project that would yield 23 units affordable housing units across five development sites in the Bushwick neighborhood.

BROOKLYN COMMUNITY DISTRICT NO. 4

BOROUGH OF BROOKLYN

**RECOMMENDATION**

APPROVE

APPROVE WITH

MODIFICATIONS/CONDITIONS

DISAPPROVE

DISAPPROVE WITH

MODIFICATIONS/CONDITIONS

SEE ATTACHED

BROOKLYN BOROUGH PRESIDENT

February 19, 2020

DATE

**RECOMMENDATION FOR: OLD STANLEY – 641 CHAUNCEY – 200108 HAK**

An application submitted by the New York City Department of Housing Preservation and Development (HPD) pursuant to Article 16 of the General Municipal Law of New York State to designate a property at 641 Chauncey Street as an Urban Development Action Area, and an Urban Development Action Area Project (UDAAP), and pursuant to Section 197-c of the New York City Charter, for the disposition of such property to a developer selected by HPD. Such action would facilitate the construction of a four-story residential building with eight affordable homeownership units in Brooklyn Community District 4 (CD 4). This application is part of a larger New Infill Homeownership Opportunity Program (NIHOP) project that would yield 23 units of affordable housing units across five cluster sites in the Bushwick neighborhood.

On January 29, 2020, Brooklyn Borough President Eric Adams held a public hearing on the acquisition request. There were two speakers on this item, including the chair of Brooklyn Community Board 4 (CB 4) who asked that HPD ensure permanent affordability beyond the initial 40-year term, and a board member who requested clarification of the qualifying income for a unit targeted to 80 percent AMI.

In response to Borough President Adams' inquiry regarding CB 4's comment that the target Area Median Incomes (AMIs) would be unaffordable for local residents, and what consideration has been given to making some units more attainable for Bushwick households, HPD clarified that the proposed development would be underwritten to its Open Door program term sheet, which stipulates incomes of 80 to 130 percent AMI for affordable homeownership developments. While the agency is not legally precluded from underwriting purchase prices to below 80 percent AMI, there is concern that households below this threshold would not be able to keep up with the annual costs of homeownership.

In response to Borough President Adams' inquiry regarding the qualifying income range for the prospective buyers, and how many units would be offered at each tier, by unit type across the entire NIHOP project, HPD provided data only for 641 Chauncey Street. The applicant stated that one unit, a one-bedroom, would be offered at 80 percent AMI with a sample qualifying income of \$64,000, and a purchase price of \$190,000; that one unit, a three-bedroom, would be available at 95 percent AMI, with a sample qualifying income of \$105,000 and a purchase price of \$311,000 for a family of four, and that six units (including a mix of one, two-, and three-bedrooms) would be offered at 100 percent AMI, with a sample qualifying income of \$80,000 to \$111,000, and purchase prices ranging from \$276,000 to \$341,000.

In response to Borough President Adams' inquiry as to what marketing strategies would be used in the buyer selection process in order to ensure the highest level of participation from CD 4, and whether such marketing strategy would include a financial literacy campaign to assist area residents in becoming lottery-eligible, Riseboro Community Partnership, Inc. stated intent to conduct extensive outreach to identify eligible households in CD 4. The applicant would also partner with Neighborhood Restore to implement a financial literacy campaign.

In response to Borough President Adams' inquiry as to what consideration has been given to requiring that the site be disposed with permanent affordable housing restrictions, according to the shared-equity model, HPD stated that the co-op apartments would remain affordable for 40 years, according to Article XI, and that the Housing Development Fund Corporation (HDFC) can apply for a renewal at the conclusion of the initial term. The HDFC here would be a subsidiary of RiseBoro Community Partnership, Inc.

In response to Borough President Adams' inquiry regarding the incorporation of passive house design, blue, green, or white roof coverings, and New York City Department of Environmental Protection (DEP) rain gardens, RiseBoro Community Partnership, Inc. stated that this project would incorporate elements

of passive house design, as well as energy efficiency and sustainability measures. The applicant expressed willingness to work with DEP provided that rain garden incorporation would not exacerbate project costs.

### **Consideration**

CB 4 approved this application on January 15, 2020, on the condition that the applicant(s) provide the following: a full response to the board's question regarding the taking of a developer's fee, additional resources to bridge the gap between HPD's HomeFirst program and the project AMIs, a commitment to market locally regardless of the outcome of the pending community preference lawsuit, and a commitment to permanent affordability.

The proposed land use actions would affect a vacant, City-owned parcel in the middle of a block bounded by Broadway, Bushwick Avenue, Chauncey Street, and Moffatt Street. The 641 Chauncey Street lot has area of approximately 4,375 square feet (sq. ft.) The underlying R6 zoning permits residential floor area of up to 2.2 for Quality Housing buildings on narrow streets.

641 Chauncey Street is one of five scattered sites financed as a package, under the project name, Old Stanley NIHOP. The other disposition sites include 1262-1264 Bushwick Avenue, 676 Central Avenue, 1277 DeKalb Avenue, and 1143 Hancock Street, all located in CD 4. Together, these properties are expected to generate 19 affordable homeownership units, and four affordable rental units. 641 Chauncey Street would be redeveloped as an 8,220 sq. ft. residential building with a maximum height of 40 feet. It would provide a mix of one-, two-, and three-bedroom apartments under an affordability program to be finalized by HPD and the co-applicant.

The surrounding context is defined by the mixed-use character of Broadway, which, though overlaid with C1-3 and C2-3 districts, is improved with commercial, community facility, and residential uses. One- and two-family homes and multi-family walkup buildings are the predominant housing type, with scattered new developments of up to six stories. The 641 Chauncey Street block contains several institutional buildings, including the Bushwick Multi-Service Center, which houses the offices of CB4; the New York City Human Resources Administration (HRA) Department of Social Services offices, and RiseBoro's Moffat garden, an assisted-living facility. A child care center, a homeless shelter, and several houses of worship are located within a block of the project area.

641 Chauncey Street is highly convenient to public transit. The Chauncey Street train station, served by the Nassau Express J and Z subways, is located on the Broadway side of the block. The B20 and Q24 buses also travel along Broadway, making stops north and south of the site. The other Old Stanley scattered sites are likewise well-served by subways and buses.

Brooklyn is one of the fastest growing communities in the New York metropolitan area. The ongoing Brooklyn renaissance has ushered in extraordinary changes that were virtually unimaginable even a decade ago. Unfortunately, its success has led to the displacement of longtime residents who can no longer afford to live in their own neighborhoods. In Bushwick, and across New York City, there is a pressing need for affordable and stable housing among elderly adults, homeless households, low-income families, and those with special needs. Increasing the supply of affordable apartments for a range of incomes and household types is a critical strategy for promoting a sustainable neighborhood and city.

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 locally-based enterprises (LBEs) and minority- and women-owned business enterprises (MWBEs), is central to Borough President Adams' economic development agenda. This site provides opportunities for the developer 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 that meet or exceed standards per Local Law 1 (no less than 20 percent participation).

As funding for the Old Stanley NIHOP development includes financing for which HPD contributes no less than \$2 million, Riseboro Community Partnership, Inc. 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 the 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 LBE, 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 Adams supports the development of underutilized land 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 provision of affordable homeownership opportunities, which would enable first-time buyers to build equity and remain in Brooklyn.

Borough President Adams supports the proposed development at 641 Chauncey Street, as part of a larger project to deliver 19 affordable homeownership units and four rental units on five City-owned sites in Bushwick. However, there is a need to guarantee permanent affordability while maximizing opportunities for lower-income buyers — including larger households, optimize efforts to achieve community participation in the lottery, and integrate resilient and sustainable practices across the Old Stanley NIHOP.

While Borough President Adams appreciates HPD's detailed response to concerns raised at his public hearing, such as duration of affordability, expanded opportunity for low- to moderate-income households, and resilient and sustainable construction, he encourages the applicants to give further consideration to his recommendations, and continue working with the affected Council Members to achieve the maximum public benefit for this project as described in the following sections.

### **Permanent Affordability**

Since its inception in the early 1980s, HPD's homeownership program has helped initial purchasers achieve affordable homeownership via a combination of public subsidies. According to the most recent initiatives, purchasers who elected to sell such units within the first five years of ownership have been required to repay the full value of the subsidy as a condition of the sale. Thereafter, such obligation declines 10 percent for each additional year of ownership until no repayment is required. In a strong real estate market, such homeowner stands to realize substantial wealth from the market-rate sale of the apartment, while the City's investment in the unit and the underlying land is lost forever. The result has been a direct reduction in the City's affordable housing resources and, potentially, a higher cost to recreate such housing at a later date, given limited public land for such purposes.

Governments have sought to limit potential windfalls to assisted buyers in order to preserve affordable homeownership opportunities for low-, moderate-, and middle-income families in perpetuity while preventing the loss of subsidies that made such developments possible. However, HPD's resale price restrictions have not been sufficient to achieve this objective. When owners of affordable homeownership units sell these properties, they receive the full amount of the regulated resale price (excluding loans and closing costs), and are not required to repay a portion of the initial subsidies. Sellers are also reimbursed for capital improvements made to such homes.

It is Borough President Adams' policy that the redevelopment of City-owned properties for residential use should only yield affordable housing, and that housing developed through the disposition of public land should remain permanently affordable.

For these NIHOP sites, HPD is pursuing a cooperative ownership model governed by an HDFC and tied to a 40-year real estate tax abatement. During the 40-year period, annual sale price increases would be capped at two percent. This requirement does not appear to provide a mechanism to guarantee that affordability extends beyond 40-years. However, Borough President Adams is concerned that this regulatory term is insufficient to meet his goal of ensuring that the proposed development remains affordable in perpetuity.

Borough President Adams believes that there are appropriate mechanisms to ensure ongoing affordability. One strategy is to remove the obligation to pay back the land appraisal value and direct City subsidies for affordable homeownership units. The New York City Zoning Resolution (ZR) Voluntary Housing program provides another method. It contains a mechanism that ensures such housing remains permanently affordable pursuant to the resale provisions of ZR Sections 23-913 and 23-962, which stipulate the appreciation index for the resale price of a homeownership affordable housing unit. HPD sets the annual rate of increase based on the percentage change in the Consumer Price Index (CPI) for all urban consumers, as defined by the US Bureau of Labor Statistics, plus one percent per year. However, such indexing leads to a slow rate of appreciation and leaves owners vulnerable to interest rate spikes. As an alternative, resale price restrictions for homeownership affordable housing units could be indexed to standards defined by the Center for Housing Policy to better offset increases in the costs of homeownership.

Another way to ensure long-term affordability is through the concept of shared equity. This model has been promulgated by non-profit housing associations and municipalities seeking to extend affordable homeownership to households unable to purchase a market-rate home. According to the Urban Institute, "Shared equity homeownership programs provide buyers with a way of bridging the gap between what they are able to afford to pay in a mortgage and the actual mortgage cost to own a property" via strategies such as "inclusionary zoning, limited equity cooperatives, and community land trust homes with long-term affordability restrictions." Shared equity programs also help reduce the risks associated with homeownership for low-income and minority households. For example, the purchase price often includes a reduced obligation (or, preferably, no obligation) to repay the initial subsidy, so that the resale prices remain profitable in a down economy even though the home was initially sold below the market price.

Shared-equity homeownership imposes resale price restrictions to ensure that the subsidy remains with the home. The most widely implemented subsidy retention programs include community land trusts (CLTs) and deed-restricted housing programs. CLTs are non-profit stewardship entities that maintain community ownership of real estate assets. They are governed by boards that contain a diverse array of stakeholders, including community development organizations, elected officials, and local residents. CLTs increase affordability by removing the cost of the land from the sale price of a home — homebuyers purchase the structure but lease the land from the CLT, which retains ownership. Resale price restrictions are built into the ground lease to maintain affordability for future income-eligible buyers. In a deed-



restricted housing program, resale restrictions are recorded with the property's deed. New York State requires deed-restricted housing to be in the form of a cooperative ownership.

In recent years, shared-equity programs have been gaining ground in New York City as an effective tool to reduce land speculation and preserve affordability in communities. In 2014, Habitat New York City began a four-year advocacy effort to increase city support for lasting affordable homeownership, with an emphasis being placed on facilitating the expansion of CLTs. In 2017, the City Administration solicited proposals from interested stewardship groups, while the City Council passed legislation authorizing and codifying CLTs. There are currently more than a dozen CLTs in various stages of development across the city, with at least two located in Brooklyn. Borough President Adams believes that CLTs provide a viable means to safeguard HPD's substantial investments in affordable housing throughout the borough.

For the Old Stanley sites, he calls on HPD to require affordable housing according to a shared equity model that would achieve permanent affordability equivalent to the Voluntary Inclusionary Housing (VIH) program, or a CLT, through the designated HDFC.

Therefore, in order to realize permanent affordability, Borough President Adams believes that the City Planning Commission (CPC) and/or the New York City Council (City Council) should direct HPD to establish in its land disposition agreement (LDA) or other regulatory agreement, a legal mechanism to ensure that development on the Old Stanley NIHOP sites remains affordable in perpetuity.

#### **Maximizing Opportunities for Lower-Income Buyers and Families**

A 2016 report by the New York University (NYU) Furman Center found that for the vast majority of New York residents, homeownership remains out of reach. In 2014, 70 percent of New York City households were classified as low-, moderate-, and middle-income. Yet, only 42 percent of home sales were affordable to such households, with 22 percent affordable to households between 80 and 120 percent AMI. The study also found a concentration of middle-income homeownership opportunities in Eastern Brooklyn, and a borough-wide shortage of sales affordable to low- and middle-income households.

Borough President Adams is concerned that too few Bushwick residents would qualify for affordable homeownership opportunities through the Old Stanley NIHOP lottery, as only one unit at 641 Chauncey Street will be targeted to households at 80 percent AMI. He believes that in order to enhance eligibility for residents of CD 4, and to achieve 50 percent local preference, it is necessary to increase the number of units at 80 and 90 percent AMI. This can be accomplished by reducing the number of units in the 100 percent AMI eligibility tier. Borough President Adams realizes that providing more deeply affordable homeownership units would require either a larger subsidy from HPD or balancing the reduction of units targeted to 95 and 100 percent AMI, with the provision of more units at perhaps 110 percent AMI. Such income tier redistribution would preserve the developer's expected revenue.

Borough President Adams is also aware that family-sized affordable housing units are in great demand across Brooklyn, and that family-sized apartments tend to be the most expensive for renters and buyers. According to the Furman Center report, the median sales price in New York City is affordable only to high-income households. As a result, low- to middle-income families are unable to purchase two-bedroom and larger units.

As proposed, 641 Chauncey Street would provide one one-bedroom unit for households at 80 percent AMI, and one three-bedroom unit for households at 95 percent AMI, with the other six apartments geared to households at 100 percent AMI (no information was provided for other scattered site developments within the Old Stanley NIHOP). Borough President Adams believes it would be appropriate to expand opportunities for family-sized households within the proposed development, which would allow more moderate-income families to remain in Bushwick. This can be realized by earmarking a greater percentage

of two- and three-bedroom apartments across the Old Stanley NIHOP at the 80 percent AMI tier while decreasing the number of units at the 95 and 100 percent AMI tiers.

Therefore, in order to provide more homeownership affordable housing units at lower AMIs, the City Council should obtain commitments, in writing, from HPD clarifying how its LDA or Regulatory Agreement with RiseBoro Community Partnership, Inc. would memorialize the provision of additional units at 80 percent AMI, with a greater percentage of two- and three-bedroom dwellings to increase opportunities for moderate-income families.

### **Maximizing Community Participation in the Homeownership Affordable Housing Lottery**

It is Borough President Adams' policy to advocate for affordable housing non-profits to play a contributing role in maximizing community participation in neighborhood affordable housing opportunities, including serving as administering agents for new developments involving low- and moderate-income housing. When mission-driven non-profits play a role in affordable housing projects, such developments are likely to remain permanently affordable.

At present, HPD policy provides for local community preference that strives to award 50 percent of affordable housing units to members of the host community district, selected via the housing lottery. Administering agents are charged with carrying out these lottery-based placements, and ensuring compliance with HPD guidelines for the duration of the regulatory term. With homeownership affordable housing, the administering agent oversees the initial sale, owner occupancy, and resale of homeownership units, and is responsible for income verification, purchase approval, and regular reporting to HPD.

As part of the initial regulatory agreement, HPD sets the price of an affordable homeownership unit to ensure that the combined purchase costs, as outlined above, do not exceed 30 percent of the low-, moderate-, or middle-income limit. However, the administering agent is tasked with establishing the maximum resale price for the resale of any such units, and approving qualifying purchasers, based on the aforementioned guidelines. Each year following the sale of a homeownership affordable housing unit, the administering agent must submit an affidavit to HPD attesting that the resale complied with all applicable requirements. Finally, according to the ZR, a homeowner may be permitted to sublet their unit to another qualifying household for a limited period. The administering agent is responsible for ensuring that the prospective renter meets income eligibility requirements and providing final approval.

As the developer, RiseBoro Community Partnership, Inc. would enter into a regulatory agreement with HPD to govern the project's affordable housing program, which includes the building plans and specifies the intended bedroom mix. It also specifies how homeowners will be selected upon sale or resale, and how eligible household income will be verified prior to occupancy, as well as additional information deemed necessary by HPD.

As expressed during Borough President Adams' hearing, RiseBoro Community Partnership, Inc., which has a proven track record as an administering agent of homeownership affordable housing units, would partner with Neighborhood Restore to conduct a marketing campaign with a financial literacy component. Borough President Adams believes that RiseBoro Community Partnership, Inc. could enhance its efforts to maximize community participation by engaging Bushwick-based entities such as Churches United for Fair Housing (CUFFH).

Borough President Adams believes that prior to considering the application, the City Council should obtain commitments, in writing, from HPD that its LDA or Regulatory Agreement with RiseBoro Community Partnership, Inc. would memorialize NYCHP affordable housing lottery outreach and that readiness would be inclusive of local affordable housing non-profits.

### **Advancing Resilient and Sustainable Energy and Stormwater Management Policies**

It is Borough President Adams' sustainable energy policy to promote opportunities that utilize blue/green/white roofs, solar panels, and/or wind turbines, as well as passive house construction. He encourages developers to coordinate at each project site with the New York City Mayor's Office of Sustainability, the New York State Energy Research and Development Authority (NYSERDA), and/or the New York Power Authority (NYPA). Such modifications tend to increase energy efficiency and reduce a development's carbon footprint. This UDAAP application offers opportunities to integrate resiliency and sustainability measures such as blue/green/white roof finishes, passive house construction principles, and solar panels across the seven NIHOP sites.

In the fall of 2019, the City Council passed Local Laws 92 and 94, which require that newly constructed roofs, as well as existing roofs undergoing renovation (with some exceptions), incorporate a green roof and/or a solar installation. The laws further stipulate 100 percent roof coverage for such systems, and expand the City's highly reflective (white) roof mandate. It should be noted that the law exempts HPD projects for the first five years, to allow the agency to study the feasibility of incorporating green roofs.

Borough President Adams believes that development on City-owned land should strive for high standards in resiliency and sustainability. Therefore, it is appropriate for the developer to engage the Mayor's Office of Sustainability, NYSERDA, and/or NYPA, to give consideration to government grants and programs that might offset costs associated with enhancing the resiliency and sustainability of this development site. One such program is the City's Green Roof Tax Abatement (GRTA), which provides a reduction of City property taxes by \$4.50 per square foot of green roof, up to \$100,000. The DEP Office of Green Infrastructure advises property owners and their design professionals through the GRTA application process. Borough President Adams encourages the developer to reach out to his office for any help in opening dialogue with the aforementioned agencies and further coordination on this matter.

As part of his flood resiliency policy, Borough President Adams encourages developers to introduce best practices to manage stormwater runoff such as incorporating permeable pavers and/or establishing rain gardens that advance DEP's green infrastructure strategy. He believes that sidewalks with nominal landscaping and/or adjacent roadway surfaces are potential resources that could be transformed through the incorporation of rain gardens, which provide tangible environmental benefits through rainwater collection, improved air quality, and streetscape beautification. Tree plantings can be consolidated with rain gardens as part of a more comprehensive green infrastructure strategy. Where it is not advisable to remove existing street trees, there would be opportunity for street tree pit enhancements to realize enhanced stormwater retention benefits while including more plantings, which would increase infiltration at this location and also make the site more pleasant for its users. In addition, blue/green roofs, permeable pavers, and rain gardens (including street tree pit enhancements) would help divert stormwater from the City's water pollution control plants.

The required Builders Pavement Plan for the proposed development provides an opportunity to incorporate DEP rain gardens at the various Old Stanley development sites. The ZR requirement to plant street trees results in the provision of shade on days of excessive heat, as well as other aesthetic, air quality, and enhanced stormwater retention benefits. It should be noted that a rain garden would require a maintenance commitment and attention from the landlord. Maintenance includes cleaning out debris and litter that can clog the inlet/outlet and prevent proper water collection, regular inspection to prevent soil erosion, watering during dry and hot periods, and weeding to keep the plants healthy and uncongested for proper water absorption. However, the implementation of rain gardens could help advance DEP green water/stormwater strategies, enhancing the operation of the Newtown Creek Wastewater Treatment Plant during wet weather. Such rain gardens have the added benefit of serving as a streetscape improvement.

Borough President Adams believes that RiseBoro Community Partnership, Inc. should consult with DEP, the New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (NYC Parks) for consideration regarding the inclusion of rain gardens with integration of street trees, as part of a Builders Pavement Plan. Where the agencies have interest in implementing an enhancement, consultation should be initiated with CB 4 and local elected officials prior to agreeing to take action.

Borough President Adams believes that HPD should codify the integration of such resiliency and sustainability measures in its LDA or Regulatory Agreement with RiseBoro Community Partnership, Inc., including DEP rain gardens, green roofs with photovoltaic systems, and passive house construction principles across the Old Stanley NIHOP sites. The City Council should further seek demonstration of the developer's commitment to coordinate with DEP, the New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (NYC Parks) regarding the installation of DEP rain gardens as part of a Builders Pavement Plan, in consultation with CB 4 and local elected officials.

### **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 approve this application with the following conditions:

1. That the New York City Department of Housing Preservation and Development (HPD) memorialize the following requirements in its Land Disposition Agreement (LDA) or Regulatory Agreement with RiseBoro Community Partnership, Inc.:
  - a. A mechanism to ensure that the affordable housing would remain affordable in perpetuity
  - b. The provision of additional units at 80 and 90 percent AMI income eligibility tiers, with a greater percentage of two-bedroom dwellings, as a means to increase opportunities for moderate-income families
  - c. Utilizing locally-based affordable housing non-profits to assist with affordable housing lottery outreach and readiness efforts
  - d. Incorporation of resiliency and sustainability measures such as blue/green/white roof finishes, passive house construction principles, and solar panels across the five NIHOP sites
  - e. A demonstration of commitment to coordinate with the New York City Department of Environmental Protection (DEP), the New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (NYC Parks) regarding the installation of street trees with enlarged tree pits as part of the Builders Pavement Plan, in consultation with Brooklyn Community Board 4 (CB 4) and local elected officials