



CITY PLANNING COMMISSION

July 14, 2004/Calendar No. 25

C 040293 HAM

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

- 1) pursuant to Article 16 of the General Municipal Law of New York State for:
 - a) the designation of property located at 242-246 East 2nd Street (Block 385, Lots 47- 49) and 227-231 East 3rd Street (Block 386, Lots 55-56) as an Urban Development Action Area; and
 - b) an Urban Development Action Area Project for such area; and
- 2) pursuant to Section 197-c of the New York City Charter for the disposition of such property to a developer to be selected by HPD;

to facilitate development of two, seven-story buildings tentatively known as Diversity Houses, with approximately 44 units of low-income housing and community facility space, to be developed under the New York State Housing Trust Fund Program, Borough of Manhattan, Community District 3.

Approval of three separate matters is required:

1. The designation of 242-246 East 2nd Street (Block 385, Lots 47- 49) and 227-231 East 3rd Street (Block 386, Lots 55-56) in the Borough of Manhattan, as an Urban Development Action Area;
2. An Urban Development Action Area project for such property; and
3. The disposition of such property to a developer to be selected by the Department of Housing Preservation and Development (HPD).

The application for the UDAAP area designation and project, and the disposition of city-owned property was submitted by the Department of Housing Preservation and Development (HPD) on February 19, 2004.

Approval of this application would facilitate the construction of a two, seven-story residential buildings containing approximately 44 units of low-income housing and community facility space, to be developed under the New York State Housing Trust Fund Program. The proposed project is tentatively known as Diversity Houses.

The Department of Housing Preservation and Development (HPD) states in its application that:

The disposition area consists of underutilized vacant lots which tend 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 Disposition 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

The Department of Housing Preservation and Development seeks approval of an Urban Development Action Area designation and project, and disposition of city-owned property to facilitate the Diversity Houses project.

Both sites are located in an R7-2 zoning district which allows residential development up to 3.44 FAR and community facility uses up to 6.5 FAR. One project site is located on the north side of East Second Street between Avenues B and C. The project site consists of three vacant, city-

owned lots (Block 385, Lots 47- 49). The lot area of the site is approximately 7,800 square feet. The site is flanked by low-rise residential buildings. The project will have approximately 22 rental units and approximately 6,250 square feet of community facility space on the ground floor. The community facility at 242-246 East 2nd Street will accommodate a local not-for-profit organization that has yet to be selected by the project's sponsor and which could be a family guidance center or a community arts center. Mixed commercial/residential buildings can be found along Avenues B and C.

The second project site is located on the north site of East Third Street between Avenues B and C. This project site consists of two city-owned lots (Block 386, Lots 55-56). The lot area of the site is approximately 6,300 square feet. The project will have approximately 22 rental units. The two lots are currently vacant and are flanked by low-rise residential buildings. The East 3rd Street site will accommodate an educational arts center composed of classrooms, an arts and crafts room, and offices. The facility will be available to people with psychiatric disabilities and will be operated by a local non-profit social service organization.

The block and surrounding area are predominantly residential in character, with nearby blocks having a mix of city-owned and privately owned vacant and occupied residential buildings. The neighborhood is typified by five- and six-story, brick buildings. Commercial and retail uses are available on Avenue B and Avenue C. The nearest subway station is located on East Houston Street and 1st Avenue (F and V lines). Several bus lines service the area on 10th Street, 14th Street, and on Avenue A, Avenue B, and Avenue C.

The requested actions would facilitate the development of the Diversity Houses project. In total, the proposed project would include approximately 44 units of low-income rental housing and two community facility spaces. There would also be open space at the rear of both buildings, which would include a garden with seating and paved walkways and planted areas.

ENVIRONMENTAL REVIEW

This application (C 03HPD025M) 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 for Procedure of 1991 and Executive Order No. 91 of 1977. The lead agency is the Department of Housing Preservation and Development. The designated CEQR number is 03HPD025M

After a study of the potential environmental impact of the proposed action, a Negative Declaration was issued on September 5, 2003.

UNIFORM LAND USE REVIEW

This application (C 040293 HAM) was certified as complete by the Department of City Planning on February 23, 2004, and was duly referred to Community Board 3 and the Borough President, in accordance with Article 3 of the Uniform Land Use Review Procedure (ULURP) rules.

Community Board Public Hearing

Community Board 3 held a public hearing on this application (C 040293 HAM) on March 17, 2004 and on that date, by a vote of 30 in favor, 0 opposed with 2 abstentions, adopted a resolution recommending approval of this application. However, since the Community Board's vote was received after the 60-day community board review period expired, the vote is non-complying.

Borough President Recommendation

This application was considered by the Borough President, who issued a recommendation approving this application on May 25, 2004.

City Planning Public Hearing

On May 26, 2003 (Calendar No.4), the City Planning Commission scheduled June 9, 2004 for a public hearing on this application (C 040293 HAM). The hearing was duly held on June 9, 2004 (Calendar No. 4). There was one speaker in favor of the application and no speakers in opposition.

A representative of the Lower East Side People's Mutual Housing Association (LESPMHA), the project's sponsor, described the proposed project and tenant selection process. The representative also described the organization's experience in providing social services and property management. She stated that LESPMHA was created in 1987 to rehabilitate vacant

multifamily buildings owned by the City of New York, as well as the construction of new multifamily buildings in the Lower East Side of Manhattan.

There were no other speakers and the hearing was closed.

CONSIDERATION

The Commission believes that the proposed UDAAP designation and project, and disposition of city-owned property is appropriate.

The Commission notes that the requested actions would facilitate the development of the Diversity Houses. The project would involve the construction of two, seven-story residences containing a total of 44 units of low-income housing and community facility space located on East 2nd Street and East 3rd Street between Avenue B and C in the Lower East Side. One project site is located on the north side of East Second Street between Avenues B and C. The site consists of three vacant lots with a total area of 7,800 square feet. The proposed project would provide 22 units of low-income rental housing. In addition, the proposed project at 242-246 East 2nd Street would have a community facility which would accommodate a local not-for-profit that has yet to be selected by the project's sponsor. The second project site is located on the north site of East Third Street between Avenues B and C. The site consists of two vacant lots with a total of 6,300 square feet. The proposed project would also provide 22 units of low-income rental housing and ground floor community facility space. The Commission believes that both residential buildings and facilities would provide much-needed housing for the community's low income population

and would respond to the Lower East Side's ongoing need for housing and supportive services, such as a family guidance center or community arts center.

The Commission believes that the proposed project would provide an opportunity for low-income tenants to reside in new, modern buildings. The Commission notes that the community facility space at 227-231 East 3rd Street has been reserved for an educational arts center which would serve people with psychiatric disabilities and would be operated by a local non-profit. The Commission notes that the community facility space at 242-246 East 2nd Street has yet been committed to a community group. The Commission recognizes that there is a strong social service network throughout the Lower East Side. The Commission also notes the sponsor's willingness to work with the community and a long-term commitment to the Lower East Side.

The Commission believes that the proposed project would occupy city-owned vacant property and would significantly improve the block's physical condition. The two proposed seven-story buildings would improve the existing streetscape. The seven story buildings complement the area's existing low to mid-rise built context, with new street trees, sidewalks and landscaped open space. The Commission believes that the project would provide much-needed permanent housing opportunities for low-income Lower East Side residents, and supplementing ongoing public redevelopment efforts on neighboring blocks.

RESOLUTION

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

WHEREAS, the Department of Housing Preservation and Development has recommended the designation of property located at 242-246 East 2nd Street (Block 385, Lots 47- 49) and 227-231 East 3rd Street (Block 386, Lots 55-56) located in Community District 3 , Borough of Manhattan, as an Urban Development Action Area; and

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

THEREFORE, be it 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 242-246 East 2nd Street (Block 385, Lots 47- 49) and 227-231 East 3rd Street (Block 386, Lots 55-56), as an Urban Development Action Area,
- b) an Urban Development Action Area Project for such area;

and the City Planning recommends that the New York City Council find that:

- a. The present status of the area tends to impair and arrest the sound development of the municipality;

- b. The financial aid in the form of tax incentives to be provided by the municipality pursuant to Section 696 of the Urban development Action Area Act is necessary to enable the project to be undertaken; and

- c. The project is consistent with the policy and purposes stated in Section 691 of the Urban Development Action Area Act; and

BE IT FURTHER RESOLVED, by the City Planning Commission, pursuant to Section 197-c of the New York City Charter, that based on the environmental determination and the consideration described in this report, the application of the Department of Housing Preservation and Development for the disposition of city-owned property located at 242-246 East 2nd Street (Block 385, Lots 47- 49) and 227-231 East 3rd Street (Block 386, Lots 55-56), in Community District 3, Borough of Manhattan, to a developer to be selected by the Department of Housing Preservation and Development, is approved (C 040293 HAM).

The above resolution (C 040293 HAM), duly adopted by the City Planning Commission on July 14, 2004 (Calendar No.25), is filed with the Office of the Speaker, City Council, and the Borough President in accordance with the requirements of Section 197-d of New York City Charter.

AMANDA M. BURDEN, AICP, Chair
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