### CITY PLANNING COMMISSION

May 10, 2017 / Calendar No. 21

**IN THE MATTER OF** an application submitted by Bedford Arms, LLC pursuant to Section 201 of the New York City Charter, for an amendment of the Zoning Resolution of the City of New York, modifying Appendix F for the purpose of establishing a Mandatory Inclusionary Housing area in the Borough of Brooklyn, Community District 8.

This application for an amendment of the Zoning Resolution of the City of New York concerning modifications to Appendix F (Inclusionary Housing Designated Areas and Mandatory Inclusionary Housing Areas) was filed by Bedford Arms, LLC (the applicant) on August 30, 2016 to establish a Mandatory Inclusionary Housing (MIH) area on Block 1205, Lot 28 on the west side of Bedford. This application, in conjunction with the application for the related action (C 170070 ZMK), would facilitate the development of a new nine-story residential building, containing approximately 48 income-restricted housing units and 46 government assisted units in the Crown Heights neighborhood of Community District 8 in Brooklyn.

#### **RELATED ACTION**

In addition to the zoning text amendment (N 170071 ZRK) which is the subject of this report, the proposed project also requires action by the City Planning Commission on the following application, which is being considered concurrently with this application:

C 170070 ZMK Zoning Map Amendment to change an existing R6A district to an R7D district.

#### BACKGROUND

A full background discussion and description of this application appears in the report for the related action for a zoning map amendment (C 170070 ZMK).

#### ENVIRONMENTAL REVIEW

This application (N 170071 ZRK), in conjunction with the application for the related action (C 170070 ZMK), 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 17DCP071K.

A summary of the environmental review appears in the report for the related zoning map amendment (C 170070 ZMK).

## **PUBLIC REVIEW**

This application (N 170071 ZRK) was duly referred to Brooklyn Community Board 8 and the Brooklyn Borough President on January 17, 2017, in accordance with the procedures for non-ULURP matters, along with the application for the related action, (C 170070 ZMK), which was certified as complete by the Department of City Planning on January 17, 2017, and was duly referred to Brooklyn Community Board 8 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 8 held a public hearing on this application (N 170071 ZRK), and the application for the related action (C 170070 ZMK), on February 2, 2017 and on February 16, 2017, by a vote of 24 in favor, zero opposed, and with two abstentions adopted a resolution recommending approval of the application without conditions.

# **Borough President Recommendation**

The Brooklyn Borough President held a public hearing on this application (N 170071 ZRK) and the application for the related action (C 170070 ZMK) on March 2, 2017, and on March 20, 2017 issued a recommendation that the City Planning Commission and City Council approve this

application with conditions. A summary of the Borough President's recommendation appears in the report of the related action for a zoning map amendment (C 170070 ZMK).

# **City Planning Commission Public Hearing**

On March 22, 2017 (Calendar No. 5) the CPC scheduled April 5, 2017 for a public hearing on this application (N 170071 ZRK), in conjunction with the application for the related action (C 170070 ZMK). The hearing was duly held on April 5, 2017 (Calendar No. 22). There were three speakers in favor of the application and none in opposition, as described in the report for the related application for a zoning map amendment (C 170070 ZMK), and the hearing was closed.

# CONSIDERATION

The Commission believes that this application for a zoning text amendment (N 170071 ZRK), in conjunction with the related application for a zoning map amendment (C 170070 ZMK), is appropriate.

A full consideration and analysis of issues and the reasons for approving this application appear in the related report for the zoning map amendment (C 170070 ZMK).

# RESOLUTION

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

**RESOLVED,** by the City Planning Commission, pursuant to Section 200 of the New York City Charter, that based on the environmental determination and the consideration described in this report, the Zoning Resolution of the City of New York, effective as of December 15, 1961, and as subsequently amended, is further amended as follows:

Matter <u>underlined</u> is new, to be added;

Matter struck out is to be deleted; Matter within # # is defined in Section 12-10; \* \* \* indicates where unchanged text appears in the Zoning Resolution

## APPENDIX F Inclusionary Housing Designated Areas and Mandatory Inclusionary Housing Areas

\* \* \*

Brooklyn

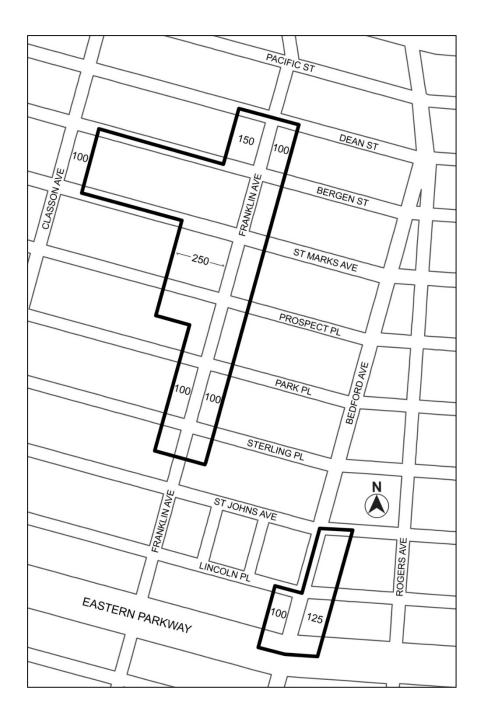
\* \* \*

## **Brooklyn Community District 8**

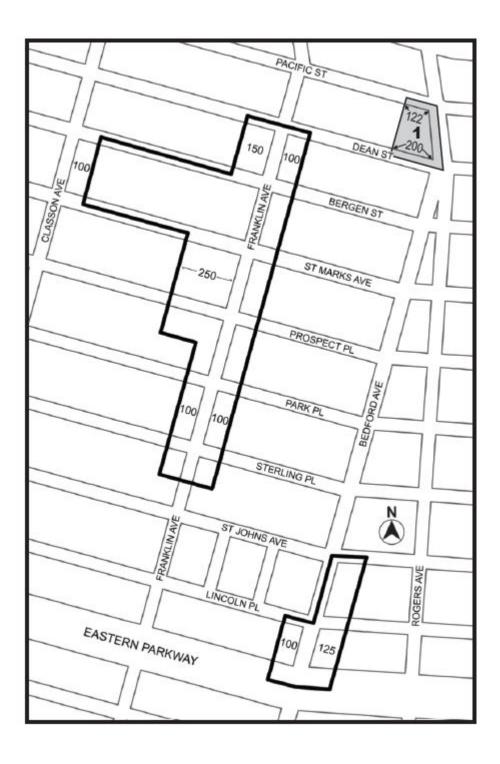
In the R7A and R7D Districts within the areas shown on the following Map 1:

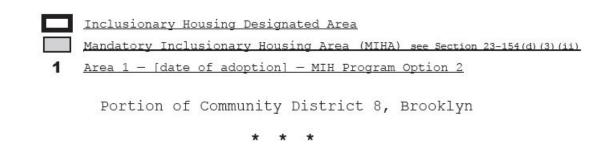
Map 1. (9/24/13) [date of adoption]

[EXISTING MAP]



[PROPOSED MAP]

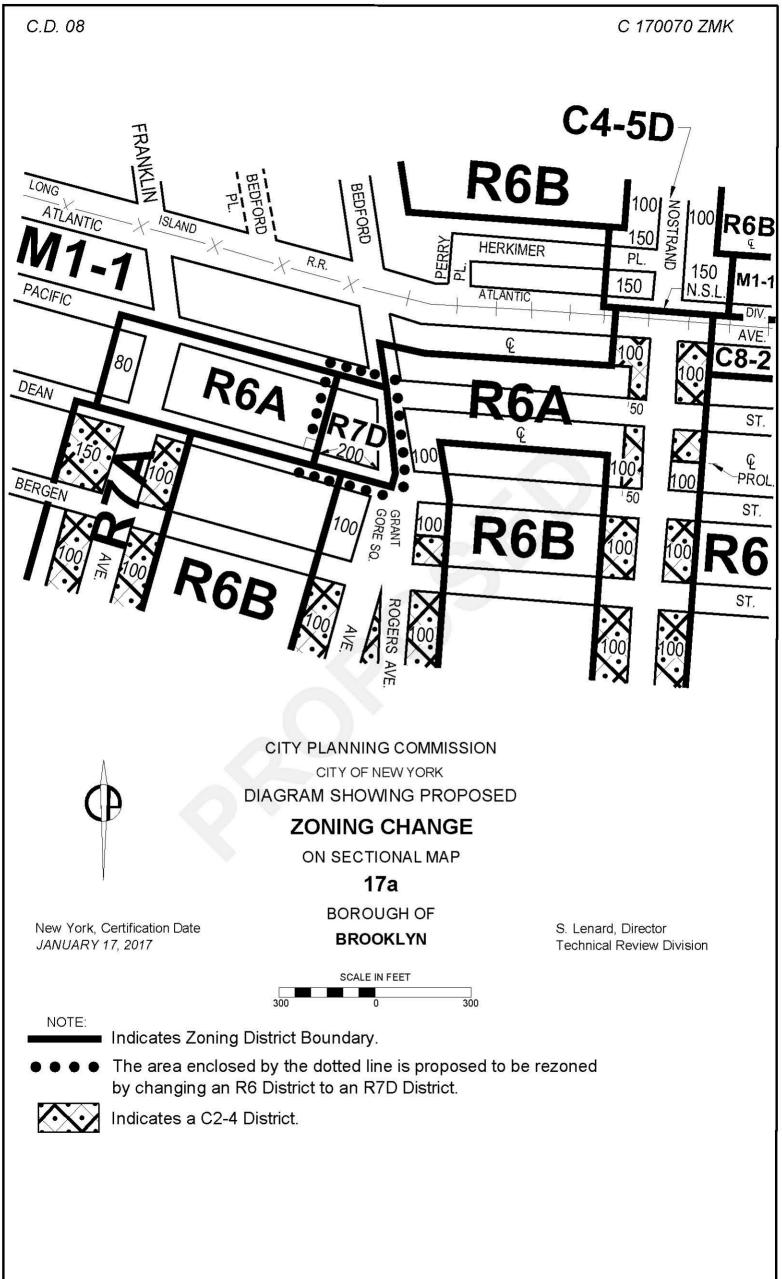




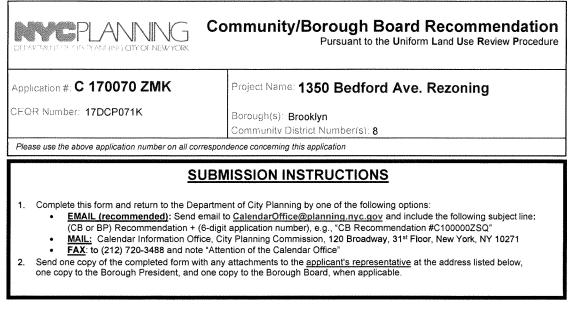
The above resolution (N 170071 ZRK), duly adopted by the City Planning Commission on May 10, 2017 (Calendar No. 21), is filed with the Office of the Speaker, City Council, and the Borough President, in accordance with the requirements of Section 197-d of the New York City Charter.

## MARISA LAGO, Chair

KENNETH J. KNUCKES, ESQ., Vice Chairman RAYANN BESSER, IRWIN G. CANTOR, P.E., ALFRED C. CERULLO, III, MICHELLE R. DE LA UZ, JOSEPH DOUEK, RICHARD W. EADDY, CHERYL COHEN EFFRON, HOPE KNIGHT, ANNA HAYES LEVIN, ORLANDO MARIN, LARISA ORTIZ, Commissioners



NOTE: THIS DIAGRAM IS FOR ILLUSTRATIVE PURPOSES ONLY.



#### Docket Description:

**IN THE MATTER OF** an application submitted by Bedford Arms, LLC pursuant to Section 197-c and 201 of the New York City Charter for an amendment of the Zoning Map, Section No. 17a, changing from an R6A District to an R7D District property bounded by Pacific Street, Bedford Avenue, Dean Street, and a line perpendicular to the northeasterly street line of Dean Street distant 200 feet northwesterly (as measured along the street line) from the point of intersection of the northeasterly street line of Dean Street and the westerly street line of Bedford Avenue, Borough of Brooklyn, Community District 8, as shown on a diagram (for illustrative purposes only) dated January 17, 2017, and subject to the conditions of CEQR Declaration E-412.

Applicant(s):	Applicant's Representative:		
Bedford Arms, LLC 1060 Broad Street Newark, NJ 07102	Stuart Beckerman Slater & Beckerman, P.C. 61 Broadway, Suite 1801 New York, NY 10006		
Recommendation submitted by:			
Brooklyn Community Board 8			
Date of public hearing: 2/2/17	Location: CNR-727 Classon Are, BK 11238		
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.		
Date of Vote: -2/16/17	Location: Concern for Independent Living		
RECOMMENDATION	• 0		
Approve	Approve With Modifications/Conditions		
Disapprove	Disapprove With Modifications/Conditions		
Please attach any further explanation of the re	commendation on additional sheets, as necessary.		
Voting			
#In Favor: 2 + #Against: 0 #Abstain	ing: 2 Total members appointed to the board: $45^{-1}$		
Name of CB/BB officer completing this form	Title Date		
Michelle George	Distict Manager 2(22/17		



## Email/Fax Transmittal

TO: Brooklyn Community District 8 Distribution	FROM: Brooklyn Borough President Eric L. Adams	
DATE: March 20, 2017	CONTACT: Olga Chernomorets – Land Use Coordinator Phone: (718) 802-3751 Email: ochernomorets@brooklynbp.nyc.gov	
ULURP Recommendation:	NO. Pages, Including Cover: 12	
1350 Bedford Avenue – 170070 ZMK and 170071 ZRK		

Attached is the recommendation report for ULURP applications 170070 ZMK and 170071 ZRK. If you have any questions, please contact Olga Chernomorets at (718) 802-3751.

## Distribution

NAME	TITLE	OFFICE	EMAIL
Marisa Lago	Chair, City Planning Commission (CPC)	(212) 720-3356	ygruel@planning.nyc.gov
Melissa Mark-Viverito	Speaker, City Council	(212) 788-7207	mviverito@council.nyc.gov
Winston Von Engel	Director, Brooklyn, New York City Department of City Planning (DCP)	(718) 780-8280	wvoneng@planning.nyc.gov
Alex Sommer	Deputy Director, Brooklyn, DCP	(718) 780-8271	asommer@planning.nyc.gov
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Michelle George	District Manager, CB 8	(718) 467-5574	bk08@cb.nyc.gov
Stuart Beckerman	Applicant's Representative	(212) 391-8047	sbeckerman@slaterbeckerman.com
Richard Bearak	Director, Land Use, BBPO	(718) 802-4057	rbearak@brooklynbp.nyc.gov

## **Brooklyn Borough President Recommendation**

CITY PLANNING COMMISSION 22 Reade Street, New York, NY 10007 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

1350 BEDFORD AVENUE - 170070 ZMK AND 170071 ZRK

In the matter of the applications submitted by Bedford Arms, LLC, pursuant to Section 197-c and 201 of the New York City Charter, for zoning map and zoning text amendments for the property located at 1350 Bedford Avenue, in the Crown Heights neighborhood of Brooklyn Community District 8 (CD 8). The zoning map amendment would rezone the existing R6A district to an R7D district, and the zoning text amendment would designate the property a Mandatory Inclusionary Housing (MIH) area. Following the approval of the proposed actions, as well as the New York City Board of Standards and Appeals (BSA) special permit to waive the number of accessory parking spaces required for the existing six-story Section 8 housing building, an application for a tax lot subdivision will be submitted to subdivide Tax Lot 28 into Tax Lots 28 and 127. Such amendments and subsequent actions would facilitate the development of the existing underutilized parking area with an 80,088 square-foot, nine-story residential building, consisting of 48 units for households earning up to 80 percent of area median income (AMI) and 46 units for households earning up to 130 percent of AMI.

BROOKLYN COMMUNITY DISTRICT NO. 8

BOROUGH OF BROOKLYN

## **RECOMMENDATION**

□ APPROVE ■ APPROVE WITH MODIFICATIONS/CONDITIONS  DISAPPROVE
DISAPPROVE WITH MODIFICATIONS/CONDITIONS

SEE ATTACHED

**BROOKLYN BOROUGH PRESIDENT** 

March 20, 2017

DATE

#### RECOMMENDATION FOR: 1350 BEDFORD AVENUE - 170070 ZMK AND 170071 ZRK

Applications submitted by Bedford Arms, LLC, pursuant to Sections 197-c and 201 of the New York City Charter, seek zoning map and zoning text amendments for the portion of the block fronting the west side of Bedford Avenue, between Pacific and Dean streets, in the Crown Heights neighborhood of Brooklyn Community District 8 (CD 8). The zoning map amendment would rezone the existing R6A district to an R7D district, and the zoning text amendment would designate the property as a Mandatory Inclusionary Housing (MIH) area. Following the approval of the proposed actions, as well as the New York City Board of Standards and Appeals (BSA) special permit to waive the number of accessory parking spaces required for the existing six-story Section 8 housing building, an application for a tax lot subdivision will be submitted to subdivide Tax Lot 28 into Tax Lots 28 and 127. Such amendments and subsequent actions would facilitate the development of an existing underutilized parking area with an 80,088 square-foot, nine-story residential building, consisting of 48 units for households earning up to 80 percent of area median income (AMI) and 46 units for households earning up to 130 percent of AMI.

On March 2, 2017, Brooklyn Borough President Eric L. Adams held a public hearing on these amendments. There was one speaker in support of this item, the chair of Brooklyn Community Board 8 (CB 8), who stated that while the board approved these applications, it is worthy of pointing out that the AMI levels cited are based on federal income levels and are not reflective of local AMIs.

In response to Borough President Adams' inquiry to clarify details with regard to the affordable housing, the applicant stated that 10 units would be eligible for households with incomes up to 40 percent of AMI, at approximately \$589 for a one-bedroom unit; 14 units would be eligible for households with incomes up to 60 percent of AMI, at approximately \$928 for a one-bedroom unit; 24 units would be eligible to households with incomes up to 80 percent of AMI, at approximately \$1,300 for a one-bedroom unit, and the remaining half of the units would be eligible for households with incomes at or exceeding 130 percent of AMI, at approximately \$2,160 for a one-bedroom unit. While the MIH units will remain permanently affordable, the rest of the affordable units would be subject to a regulatory agreement, most likely for 35 years.

In response to Borough President Adams' inquiry to clarify the marketing strategies for the tenant selection process, the representative stated that marketing will consist of outreach to local community groups and will follow the guidelines mandated by the New York City Department of Housing Preservation and Development (HPD) for tenant screening and selection.

In response to Borough President Adams' policy of providing more family-sized affordable housing units, the applicant's representative stated that 33 units will be two-bedroom and eight units will be three-bedroom. These numbers were based on the financial viability of the project. Typically, the City likes to see an equal distribution of apartments across the AMI bands, so the applicant will likely not provide a disproportionate amount of multi-bedroom apartments per AMI band.

In response to Borough President Adams' policy of promoting the use of renewable and sustainable energy resources and promoting practices to retain stormwater runoff, the applicant's representative stated that an energy consultant was hired and will be directing a green building initiative plan to achieve a sustainable building. Unfortunately, solar panels are not financially feasible at this time because of the extent that air conditioning units would need to be placed on the roof of the building. The applicant is looking into the financial feasibility of incorporating Passive House design standards.

In response to Borough President Adams' policy of maximizing job opportunities for Brooklynites and procuring supplies locally through the inclusion of Local Business Enterprises (LBE) and Minority- and Women-Owned Business Enterprises (MWBE), the representative stated that the United States Department of Housing and Urban Development (HUD) has an affirmative action outreach program that will work with the local community and with MWBE businesses in particular. Anyone interested will be referred to the general contractor and subcontractor for consideration and participation in the property's construction process.

#### **Consideration**

CB 8 approved this application without conditions.

The southern portion of the zoning lot is currently improved with an existing six-story, 82,655 square-foot, 78-unit residential building. The building was initially occupied by the Hotel Chatelaine, a transient hotel, before it was sold to the Swedish Hospital in 1930. The Swedish Hospital operated the facility as a hospital until Bedford Arms, LLC purchased the property in 1978 and converted the building to residential under the federal Section 8 program in 1980, which resulted in all of its housing units becoming affordable. As a requirement of converting the building to residential use, 35 off-street accessory parking spaces were provided according to New York City Zoning Resolution (ZR) requirements. These spaces were provided in the northern portion of the site.

The parking lot has been significantly underutilized over the years and at present is being utilized by four tenants. With the recent ZR Zoning for Quality and Affordability text amendment, a provision was included to permit for the parking requirement of the affordable housing to be eliminated pursuant to approval of the BSA. On the premise of such a parking requirement being waived, the applicant is seeking zoning map and text changes that would facilitate the intended development. Based on the number of new affordable units with incomes that no longer trigger a parking requirement due to the site being within the newly-established Transit Zone, 23 parking spaces would be provided based on the 46 units with rents set for households earning no less than 130 percent AMI. Subsequent to securing the tax lot subdivision, in order to subdivide the existing tax lot into two separate tax lots, the proposed new building would function as a separate building on the same zoning lot.

Bedford Arms, LLC, expects that the project will be financed with bonds issued by New York City's Housing Development Corporation (HDC) and subsidies provided by both HDC and HPD through the M2 Program. Under the current program the units would be affordable to a range of low, moderate, and middle income households with incomes at tiers up to 40, 60, and 80 percent of AMI, as well as incomes at or above 130 percent of AMI. All funding would be subject to the necessary regulatory agreements.

The surrounding area is characterized generally by three- to six-story residential, community facility, and limited commercial uses. The residential buildings are a mixture of one- and two-family residences, multi-family walk-ups, and elevator buildings, including the four-story residential building abutting the proposed development along Pacific Street. The buildings across Bedford Avenue are within the boundary of the Crown Heights Historic District. The 23<sup>rd</sup> Regiment Armory Building, containing the City-owned Bedford Atlantic Men's Shelter, is located directly across Pacific Street from the proposed development. This area was rezoned from R6 in 2013 as part of the Crown Heights North Rezoning. At the time, Bedford Avenue was rezoned R6A with 3.0 floor area ratio (FAR) as a means to impose height limits to subsequent development and remove additional floor area potential that had been available for community facilities. Though most mid-blocks were zoned R6B, the entire block of the applicant's site was zoned R6A. This was done despite mid-

block building heights being more consistent with R6B height limits, as a reflection of the high lot coverage and FAR that would be otherwise non-compliant if designated R6B.

Though the applicant seeks out-of-context R7D zoning, the project's FAR would require a rezoning from R6A to R7A MIH. However, in order to minimize apartment layout constraints and such associated increase of cost to construct an affordable housing development, the R7D allows the street wall to be accommodated without the otherwise required R7A setback of a portion of the street wall. The requested rezoning does not guarantee that more than the MIH-associated floor area would be developed as affordable housing and that the building would not be constructed to the permitted R7D height of 110 feet, or 11 stories.

Borough President Adams supports development that addresses the City's objectives by facilitating redevelopment of underutilized land for productive uses. He especially supports rezoning when paired with the ZR's MIH program as a means to achieve permanently affordable housing units. The affordability options of the MIH program provide a range of opportunities to address the need for housing that serves a broad range of diverse incomes, consistent with Borough President Adams' objectives of providing affordable housing to households through various income band targets.

Borough President Adams supports an increase of the property's existing 3.0 FAR to accommodate the approximately 4.2 FAR that would result with the addition of the new building because the developer intends to provide a 100 percent affordable building for the initial term of the financing's regulatory agreement. His support is also due to the property's proximity to public transportation. Options include the Long Island Railroad (LIRR) and three subway lines. The Nostrand Avenue LIRR station is located two blocks away, the Franklin Avenue Shuttle S line is located four blocks away, and the Eighth Avenue Express A and Local C lines are four blocks away.

Though Borough President Adams supports increasing the site's development potential through the redevelopment of the underutilized parking lot to create a 100 percent affordable residential building, there are a number of outstanding matters that he would like see addressed. These include securing certainty of the proposed height; maximizing community housing preference through an affordable housing administering agent; utilizing sustainable and resilient measures, including LBE and MWBE participation in the project's construction; providing an appropriate unit bedroom mix; including access to these units for homeless families, and providing affordability eligibility standards.

#### Memorializing the Height of the Proposed Development

It was represented that the proposed development would not fully utilize the floor area and height permitted under the proposed R7D zoning district. R7D zoning allows a maximum building height of 110 feet, after a setback at 95 feet for a significant percentage of the building's street wall. While Borough President Adams recognizes the developer's intent to have the building massing make optimum sense for an affordable housing development, without the cost associated with adhering to building setbacks and inefficient apartment layouts, the rezoning in itself does not guarantee a building height and density less than permitted. If the zoning lot was to be regulated according to the parking waiver from BSA, there would need to be a demonstration that the action facilitates the creation or preservation of affordable housing, where a development includes new residential floor area on the zoning lot. This standard would be met by the requirements of MIH, though it does not preclude the development from utilizing the height and floor area per the R7D zoning, which is not consistent with the surrounding neighborhood context.

Borough President Adams believes that it is appropriate to accommodate the applicant's interest to develop without setting back portions of the upper floors, while having assurance that the building would not exceed R7A height and floor area.

Prior to the City Council's approval of R7D, building height could be satisfactorily restricted through two options. One option might be an HPD commitment to provide, within the HPD Regulatory Agreement pertaining to the financing, binding language stating that the building height must be pursuant to the elevations submitted as part of the Uniform Land Use Review Procedure (ULURP) process application documents. A second option would be for the developer to file a legal mechanism to bind the property, subject to the adoption of R7D zoning, to the proposed building height not exceeding a specific height but for the accommodation of any bulkhead. A post-zoning approval option would be to have to the height addressed through the BSA Special Permit process as the BSA may impose appropriate conditions and safeguards to minimize adverse effects on the character of the surrounding area, thus limiting the height of the building to 85 feet.

Without any of these methods being implanted, the only other option to ensure the height of the building as represented during ULURP is for the City Council to modify the requested R7D zoning to a R7A zoning district designation. Such a change would require a partial building setback at 75 feet and allow replacement of such floor area within the setback to be accommodated with a height of 90 feet.

Borough President Adams believes that it is appropriate for the City Council to secure any such commitment to ensure that the height of the proposed building is consistent with the height as represented through the ULURP application documents.

#### Maximizing Community Participation of the MIH Affordable Housing

The ZR requires the affordable housing units to be overseen by a non-profit administering agent, not affiliated with the for-profit developing entity, except when otherwise approved by HPD. Such administering non-profit becomes the responsible entity to ensure that the affordable housing remains in accordance with its regulatory agreement, which governs the development's affordable housing plan. These tasks include verification of prospective tenant households' qualifying income and approval of the rent-up of such affordable housing units. The administering non-profit is responsible for submitting an affidavit to HPD attesting that the initial rent-up of the affordable housing units is consistent with the income requirements, followed up with annual affidavits to ensure conformance.

In addition to the stated requirements, various non-profits have proven track records of successfully marketing affordable housing units within the host community of the particular development, as well as promoting housing lottery readiness through educational initiatives. These non-profit entities are entrenched in the communities they serve and focus on being providers and strong advocates for affordable housing. It is Borough President Adams' policy to advocate for such affordable housing non-profits to play a contributing role toward the success of community participation in obtaining neighborhood affordable housing opportunities.

Borough President Adams believes that prior to City Council approval, the developer should provide a letter of intent to retain a specific community-based housing development non-profit to serve as the administering agent, as well as to have one or more such entities play a role in promoting affordable housing lottery readiness.

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

It is Borough President Adams' sustainable energy policy to promote opportunities that utilize solar panels, wind turbines, and/or blue/green/white roofs, as well as Passive House construction. He encourages developers to coordinate with the New York City Mayor's Office of Sustainability, New York State Energy Research and Development Authority (NYSERDA), and/or New York Power Authority (NYPA) at each project site. Such modifications would increase energy efficiency and reduce the development's carbon footprint. Furthermore, as part of his flood resiliency policy, Borough President Adams also encourages developers to incorporate permeable pavers and/or establish bioswales that advance the New York City Department of Environmental Protection (DEP) green-water/stormwater strategies. Bioswales, blue/green roofs, and permeable pavers would deflect stormwater from entering the City's water pollution control plants. According to the "New York City Green Infrastructure 2014 Annual Report," green infrastructure plays a critical role in addressing water quality challenges and provides numerous environmental, social, and economic co-benefits.

The applicant has represented that analysis is ongoing in terms of to what extent the development might be incorporating sustainable measures based on evaluation of the feasibility of pursuing additional resilient and sustainable rooftop features as well as using a Passive House construction. Such measures might include using the building's roof for any combination of blue, green, and/or white roof improvements. Borough President Adams believes there are additional strategies would help to advance DEP green-water/stormwater strategies. Such opportunities might be realized by incorporating permeable pavers in the construction of the parking lot and constructing bioswales as part of the proposed Builders Pavement Plan.

It is also appropriate for the developer to engage government agencies, such as 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 opening dialogue with the aforementioned agencies and further coordinating on this matter.

Prior to the granting of its approval, the City Council should obtain the applicant's commitments in writing to the extent that it would be pursuing resiliency and sustainability measures.

#### Jobs

Borough President Adams is concerned that too many Brooklyn residents are currently unemployed or underemployed. It is his policy to promote economic development that will create 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 our 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 and including those that qualify as LBE and MWBE is central to Borough President Adams' economic development agenda. This site provides opportunities for the applicant 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, as a means to meet or exceed standards per Local Law 1 (no less than 20 percent participation).

As with HPD's expressed intent to work toward increasing opportunities for MWBEs to participate in the development process and connecting local residents to career training for when it subsidizes new development in the East New York Neighborhood Plan area, Borough President Adams believes that HPD should seek the same for this development. This should be achieved through a financing regulatory agreement or similarly legal binding mechanism, for Bedford Arms, LLC, as the project developer, 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). HPD should coordinate the monitoring of such participation with an appropriate monitoring agency.

Prior to the granting of its approval, the City Council should obtain a commitment in writing from HPD to the extent that it would be promoting such workforce participation measures.

#### Achieving a Family-Sized Affordable Housing Unit Mix

According to the application documents, 1350 Bedford Avenue would consist of approximately 63 percent one-bedroom apartments, 27 percent two-bedroom apartments, and 10 percent threebedroom apartments. A recent report identified that the rent-burdened households, which typically represent those households applying to the City's affordable housing lotteries, are more likely to require family-sized unit types. This is also reflected by the residents of the adjacent Section 8 building, who are currently on the waiting list to receive larger units, voicing interest in obtaining the larger units in the proposed development. Therefore, Borough President Adams is concerned that the mix of the proposed affordable housing units would not adequately reflect the unique needs of CD 8's low- to middle-income rent-burdened communities. Borough President Adams believes that right-sizing the bedroom distribution is more important than maximizing the number of affordable housing units.

Borough President Adams believes that discretionary land use actions are appropriate opportunities to advance policies that constrain what would otherwise be permitted as-of-right. He believes that 1350 Bedford Avenue presents an opportunity to achieve family-sized units for the non-elderly and seeks to require a minimum threshold for non-independent residences for senior housing to accommodate family-sized apartments. Borough President Adams supports having at least 50 percent of two- or more bedroom affordable housing units and at least 75 percent of one-or more bedroom affordable housing units, consistent with zoning text for Inclusionary Housing floor area pursuant to ZR 23-96(c)(1)(ii).

During the public hearing on March 2, 2017, the developer stated that the existing bedroom mix was based on the financial feasibility of the project and the funding program requirements through HPD. Borough President Adams believes it is appropriate for HPD to further work with the developer to enable the project financing to all for more family-sized units.

Therefore, Borough President Adams seeks that HPD provide a commitment in writing to the City Council to the extent that it would work with Bedford Arms, LLC to enable project financing to provide 50 percent of the constructed dwelling units as two- and three-bedroom units.

#### <u>Community Preference: Inclusion of Homeless Shelter Student Population by School</u> <u>Zone</u>

The City's housing lottery selection preference policy includes a pathway for achieving a preference of 50 percent or more for applicants residing in the community district where such affordable housing is being provided. There are additional pathways identified for priority lottery selection to become the tenant for such affordable housing units, such as United States Armed Forces veteran status, qualified disabilities, and more. Given the extent of the increase in homeless families with school-age children entering the public shelter system, Borough President Adams believes it is appropriate for HPD to also extend lottery local preference to include the school zone and any nearby neighboring school zone attended by a child of a household residing at a City-funded or -operated homeless shelter.

This is especially important given the number of students living in homeless shelters. The New York City Independent Budget Office (IBO) recently produced a report analyzing homeless rates in schools. School student registration data identifies those residing in public shelters as Students in Temporary Housing (STH). Using data from as recent as the 2014-2015 school year, a review of

the 50 schools in Brooklyn with the highest percentage of STH enrollment identifies approximately 4,300 students attending such Brooklyn schools with more than 18 percent of the enrollment categorized as STH.

Research indicates that students managing such living accommodations are most challenged in achieving optimum academic performance. Such students are more likely to lack access to technology, such as computers, that would aid with homework and research assignments, as well as access to a quiet space to complete such assignments and study for exams. In addition, commuting from the shelter to and from the school for many students consumes significantly more time. Such commutes often make it difficult to participate in extracurricular educational and/or social school activities, which might otherwise enhance the school academic and community experience.

Many parents and students find it important to retain school continuity despite the circumstances that require the household to be dependent on the City's homeless shelter system. Borough President Adams believes that it should be the policy of the City to take actions that would eliminate such hardships. One such action would be to enable the working income-challenged households with children attending public schools to qualify for community local preference on the basis of where the child is enrolled in school.

According to the interactive map provided by the Institute for Children, Poverty, and Homelessness (ICPH), there are four schools within a few blocks of the proposed development site, within the New York City Community School District 17, containing a combined total of approximately 250 homeless students. Such students and their families should be considered as part of the 50 percent local preference.

Borough President Adams believes that HPD should modify its affordable housing apartment lottery community preference standards to include the school zone attended by a child of a household residing at a City-funded or -operated homeless shelter.

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

Borough President Adams supports Mayor Bill de Blasio's goal of achieving 200,000 affordable housing units over the next decade. Brooklyn is one of the fastest growing communities in the New York City 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 long-time 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 much-needed affordable housing units for very low- to middle-income Brooklynites. Among numerous strategies and approaches, Borough President Adams is committed to advancing his affordable housing policy through his role in the ULURP. The development of much-needed affordable housing provides opportunities to existing neighborhood residents at risk for displacement or increased degree of being rent-burdened.

Data shows that more than 80 percent of those making 50 percent of AMI or less are rentburdened. 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 a fifth of New York City households over two million people — earn less than \$25,000 a year and almost a third make less than \$35,000. As the City's housing crisis gets worse, the burden falls most heavily on these low-income households, many of them senior citizens. Many residents within CD 8 live in unregulated housing, or regulated apartments subjected to legal regulated rent increase in which landlords have been renting below the legally permitted regulatory rent (preferential rent) and have been seeking to increase rent, at lease renewal, according to the legal amount permitted. The continued significant increase in rents has resulted in residential displacement or increased rent burden. Therefore, there is a pressing need to provide affordable housing units in this area.

In this section of CD 8, in proximity to the proposed development site at 1350 Bedford Avenue, too many households fall into low- and very-low income categories and are often rent-burdened. According to <u>map.dapmapnyc.org/app</u>\*, the site is located in a considerable concentration of rent-stabilized apartments, including a few that have experienced a varying degree of reduction of what were subject to rent stabilization regulations. Given the risk for displacement, the City should take steps to increase the probability that 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 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.

Borough President Adams acknowledges the developer's record of building and maintaining affordable housing, and the efforts to include households earning as low as 35 percent AMI, who may potentially be paying more than the 30 percent of household income.

As noted in his East New York Community Plan ULURP recommendation, 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 housing lotteries.

One means to address rent burden should be achieved by amending the ZR to adjust the AMI qualifications to include such households that would maintain or reduce their rent burden. For such lotteries resulting from MIH housing lottery offerings, the New York City Department of City Planning (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, quality housing accommodations.

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

\*DAP Map is a building-by-building, web-based interactive map for New York City designed to show where residential tenants may be facing significant displacement pressures and where affordable apartments are most threatened. The Association for Neighborhood Housing Developers (ANHD) created DAP Map to provide community groups, local residents, elected officials, policymakers, and the public direct and real-time access to vital information on our city's rapidly changing residential environment.

#### **Recommendation**

Be it resolved that the Brooklyn borough president, pursuant to sections 197-c and 201 of the New York City Charter, recommends that the City Planning Commission (CPC) and the City Council approve this application with the following condition:

- 1. That the City Council seek an appropriate legal mechanism to limit the height of the proposed building to 85 feet except for bulkhead and parapet, through either:
  - a. An HPD financing regulatory agreement containing binding language stating that building height must be pursuant to the elevations drawings submitted as part of the Uniform Land Use Review Procedure (ULURP) process application documents
  - b. That the developer files a legal mechanism to bind the property subject to the adoption of R7D zoning that the proposed building would not exceed a specific height except for the accommodation of any bulkhead, or
  - c. A post-zoning approval option through the New York City Board of Standards and Appeals (BSA) Special Permit process, as BSA may impose appropriate conditions and safeguards to minimize adverse effects on the character of the surrounding area, thus limiting the height of the building to 85 feet

Otherwise, the City Council should adopt a rezoning to R7A in lieu of the proposed R7D zoning district designation.

- 2. That Bedford Arms, LLC provide to the City Council, in writing:
  - a. A letter of intent to retain a specific community-based housing development nonprofit to serve as the administering agent, as well as to have one or more such entities play a role in promoting affordable housing lottery readiness, and
  - b. The extent that it would commit to pursuing resiliency and sustainability measures
- 3. That the New York City Department of Housing Preservation and Development (HPD) provide a commitment in writing to the extent that it would:
  - a. Be promoting through its financing regulatory agreement with Bedford Arms, LLC for the developer to retain Brooklyn-based contractors and subcontractors, especially those who are designated Local Business Enterprises (LBE) consistent with section 6-108.1 of the City's Administrative Code, and LBEs and Minority- and Women-Owned Business Enterprises (MWBE) establishments, as a means to meet or exceed standards per Local Law 1 (no less than 20 percent participation), as well as to coordinate the monitoring of such participation with an appropriate monitoring agency, and
  - b. Work with Bedford Arms, LLC on project financing to enable for 50 percent of the constructed dwelling units to be two-and three-bedroom unit types

#### Be It Further Resolved:

- 1. That HPD modifies its affordable housing apartment lottery community preference standards to be inclusive of the school zone attended by a child of a household residing at a City-funded or -operated homeless shelter, and
- 2. That the CPC and/or the City Council, in order to establish AMI equivalent affordable housing eligibility as a qualifier for those rent-burdened households that would be able to pay the same or have a reduction in their rent by leasing an MIH lottery unit, should advocate for the modification of MIH section of ZR pertaining to MIH-designated areas to be adopted with a requirement that provides eligibility taking into account rent-burdened status