

October 4, 2017 / Calendar No. 5

N 170026 ZRK

**IN THE MATTER OF** an application submitted by JMS Realty Corp., 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, Borough of Brooklyn, Community District 3.

This application for an amendment of the Zoning Resolution of the City of New York concerning modification to Appendix F (Inclusionary Housing Designated Areas and Mandatory Inclusionary Housing Areas) was filed by JMS Realty Corp. (the applicant) on July 21, 2016 to establish a Mandatory Inclusionary Housing (MIH) area on portions of three blocks (Blocks 1736, 1737, and 1753) fronting on Myrtle Avenue between Walworth Street and Nostrand Avenue. This application, in conjunction with the application for the related action (C 170025 ZMK), would facilitate the development of a new eight-story mixed-use building containing approximately 75 dwelling units in the Bedford-Stuyvesant neighborhood of Community District 3 in Brooklyn.

### RELATED ACTION

In addition to the zoning text amendment (N 170026 ZRK) that 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 170025 ZMK Zoning map amendment to change M1-1 and M1-2 zoning districts to R7D/C2-4 and R6A/C2-4 zoning districts.

## **BACKGROUND**

A full background discussion and description of this application appears in the report for the related action for a zoning map amendment (C 170025 ZMK).

### **ENVIRONMENTAL REVIEW**

This application (N 170026 ZRK), in conjunction with the application for the related action (C 170025 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 agency is the City Planning Commission. The designated CEQR number is 16DCP177K.

A summary of the environmental review appears in the report for the related zoning map amendment (C 170025 ZMK).

#### **PUBLIC REVIEW**

This application (N 170026 ZRK) was duly referred to Brooklyn Community Board 3 and the Brooklyn Borough President on June 5, 2017, in accordance with the procedures for non-ULURP matters, along with the application for the related action, (C 170025 ZMK), which was certified as complete by the Department of City Planning on June 5, 2017, and was duly referred to Brooklyn Community Board 3 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 3 held a public hearing on this application (N 170026 ZRK) on June 27, 2017 and on that date, by a vote of 23 in favor, five opposed, and with two abstentions adopted a resolution recommending approval of the application. A summary of the vote and recommendations of Community Board 3 appears in the report for the related action for a zoning map amendment (C 170025 ZMK).

## **Borough President Recommendation**

The Brooklyn Borough President held a public hearing on this application (N 170026 ZRK) on July 25, 2017, and on September 6, 2017 issued a recommendation to approve the application

with conditions. A summary of the Borough President's recommendation and conditions appears in the report of the related action for a zoning map amendment (C 170025 ZMK).

## **City Planning Commission Public Hearing**

On August 23, 2017 (Calendar No. 2), the Commission scheduled September 6, 2017 for a public hearing on this application (N 170026 ZRK), in conjunction with the application for the related action (C 170025 ZMK). The hearing was duly held on September 6, 2017 (Calendar No. 35). There was one speaker in favor of the application and one in opposition, as described in the report for the related application for a zoning map amendment (C 170025 ZMK), and the hearing was closed.

#### CONSIDERATION

The Commission believes that this application for a zoning text amendment (N 170026 ZRK), in conjunction with the related application for a zoning map amendment (C 170025 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 170025 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 Housing Designated Areas**

\* \* \*

## Brooklyn

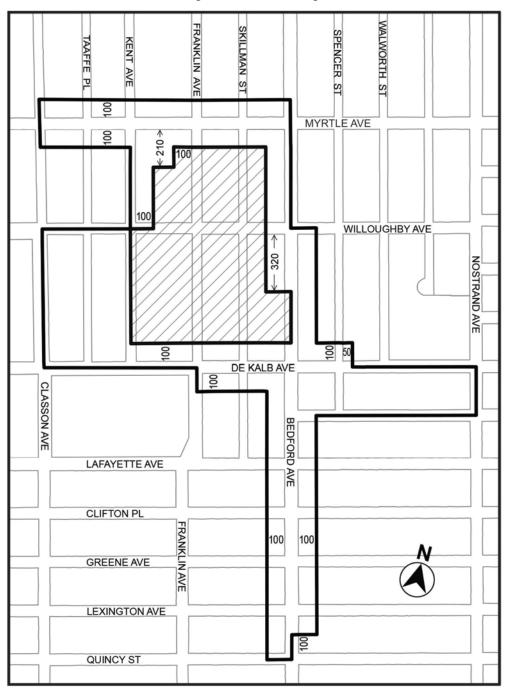
\* \* \*

## **Brooklyn Community District 3**

In the <u>R6A</u>, R7A and R7D Districts within the areas shown on the following Maps 1, 2, 3, 4, and 5:

\* \* \*

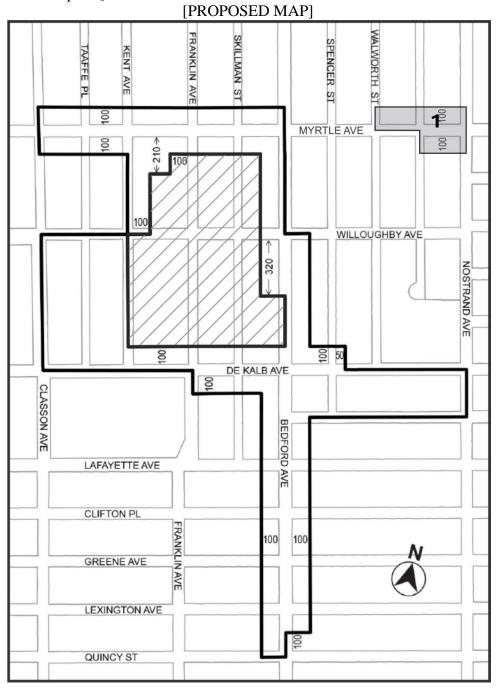
# [EXISTING MAP]



Inclusionary Housing Designated Area

Excluded Area

Map 3 - [date of adoption]



Inclusionary Housing Designated Area

Mandatory Inclusionary Housing area see Section 23-154(d)(3)
Area 1 — [date of adoption] — MIH Program Option 1 and Option 2

Excluded Area

## Portion of Community District 3, Brooklyn

\* \* \*

The above resolution (N 170026 ZRK), duly adopted by the City Planning Commission on October 4, 2017 (Calendar No. 5), 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 RAYANN BESSER, ALFRED C. CERULLO, III, MICHELLE R. DE LA UZ, RICHARD W. EADDY, CHERYL COHEN EFFRON, HOPE KNIGHT, ANNA HAYES LEVIN, ORLANDO MARIN, LARISA ORTIZ Commissioners



# Community/Borough Board Recommendation Pursuant to the Uniform Land Use Review Procedure

Application #:

CEOR Number:

C 170025 ZMK

16DCP177K

Project Name:

723-733 Myrtle Avenue Rezoning

Borough(s):

Brooklyn

Community District Number(s):

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

# SUBMISSION INSTRUCTIONS

- Complete this form and return to the Department of City Planning by one of the following options:
  - EMAIL (recommended): Send email to CalendarOffice@planning.nyc.gov and include the following subject line: (CB or BP) Recommendation + (6-digit application number), e.g., "CB Recommendation #C100000ZSQ"

    MAIL: Calendar Information Office, City Planning Commission, 120 Broadway, 31st Floor, New York, NY 10271

  - FAX: to (212) 720-3488 and note "Attention of the Calendar Office"
- 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 JMS Realty Corp. pursuant to Sections 197-c and 201 of the New York City Charter for an amendment of the Zoning Map, Section No. 13b:

- changing from an M1-1 District to an R7D District property bounded by a line 100 feet northerly of Myrtle Avenue, Nostrand Avenue, Myrtle Avenue, and Walworth Street;
- 2. changing from an M1-2 District to an R6A District property bounded by Myrtle Avenue, Nostrand Avenue, a line 100 feet southerly of Myrtle Avenue, and Sandford Street;
- 3. establishing within the proposed R7D District a C2-4 District bounded by a line 100 feet northerly of Myrtle Avenue, Nostrand Avenue, Myrtle Avenue, and Walworth Street; and
- 4. establishing within the proposed R6A District a C2-4 District bounded by Myrtle Avenue, Nostrand Avenue, a line 100 feet southerly of Myrtle Avenue, and Sandford Street;

as shown on a diagram (for illustrative purposes only), dated June 5, 2017 and subject to the conditions of the CEOR Declaration E-43 Applicant(s): Applicant's Representative: JMS Realty Corp. Richard Lobel 426 Willoughby Avenue Sheldon Lobel, P.C Brooklyn, NY 11205 18 East 41st Street, 5th Floor New York, NY 10017 Recommendation submitted by: Brooklyn Community Board 3 Location: 1368 PULTON STREET, BKMN, NY 11216 Date of public hearing: June 17, 2017 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: June 27, 2017 1368 RUTON STREET, BKWN, NY 11216 RECOMMENDATION Approve Approve With Modifications/Conditions Disapprove Disapprove With Modifications/Conditions Please attach any further explanation of the recommendation on additional sheets, as necessary. #In Favor: 23 #Against: 5 #Abstaining: 2 Total members appointed to the board: Name of CB/BB officer completing this form BERYL NYACK ASST. DIST. MAR

## **Brooklyn Borough President Recommendation**

CITY PLANNING COMMISSION
120 Broadway, 31<sup>st</sup> Floor, New York, NY 10271
calendaroffice@planning.nyc.gov



#### **INSTRUCTIONS**

BROOKLYN BOROUGH PRESIDENT

- 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 #: 723-733 MYRTLE AVENUE REZONING - 170025 ZMK, 170026 ZRK

Applications submitted by JMS Realty Corp., pursuant to Sections 197-c and 201 of the New York City Charter, for an amendment of the Zoning Map, changing from an M1-1 District to an R7D District property bounded by a line 100 feet northerly of Myrtle Avenue, Nostrand Avenue, Myrtle Avenue, and Walworth Street; changing from an M1-2 District to an R6A District property bounded by Myrtle Avenue, Nostrand Avenue, a line 100 feet southerly of Myrtle Avenue, and Sandford Street; establishing within the proposed R7D and R6A districts a C2-4 District. The zoning text amendment would designate the project area a Mandatory Inclusionary Housing (MIH) area.

COMMUNITY DISTRICT NO. 3	BOROUGH OF BROOKLYN
RECOMMENDATION	
☐ APPROVE 図 APPROVE WITH MODIFICATIONS/CONDITIONS	☐ DISAPPROVE☐ DISAPPROVE WITH MODIFICATIONS/CONDITIONS
	SEE ATTACHED
Ch M	September 6, 2017

DATE

## RECOMMENDATION FOR: 723-733 MYRTLE AVENUE REZONING - 170025 ZMK, 170026 ZRK

Applications submitted by JMS Realty Corp., pursuant to Sections 197-c and 201 of the New York City Charter, for an amendment of the Zoning Map from an M1-1 District to an R7D District property bounded by a line 100 feet northerly of Myrtle Avenue, Nostrand Avenue, Myrtle Avenue, and Walworth Street; changing from an M1-2 District to an R6A District property bounded by Myrtle Avenue, Nostrand Avenue, a line 100 feet southerly of Myrtle Avenue, and Sandford Street; establishing within the proposed R7D and R6A districts a C2-4 District. The zoning text amendment would designate the project area a Mandatory Inclusionary Housing (MIH) area.

On July 25, 2017, Brooklyn Borough President Eric L. Adams held a public hearing on the application. There was one speaker on the item – a representative from 32BJ Service Employees International Union (SEIU), who spoke in opposition. The representative encouraged the applicant to hire unionized building service workers, and pay the prevailing wage.

In response to Deputy Brooklyn Borough President Diana Reyna's inquiry regarding the absence of two-bedroom apartments from the proposal, the applicant's representative noted that the unit mix has not been finalized and that the developer is still working with the architect to configure the floor plates at this time.

In response to Deputy Borough President Reyna's inquiry as to whether any consideration was made to prioritizing low-income senior housing given the high percentage of studio and one-bedroom units, the representative clarified that it was not the applicant's intention but the developer is looking into reducing the number of studio units and one-bedroom units. The representative noted that the proposed development has double-loaded corridors on all five floors, which means there is space to alter the bedroom mix.

In response to Deputy Borough President Reyna's inquiry regarding the extent to which the applicant will provide permanently affordable housing to low-income residents, the representative stated that 19 percent of the units would be permanently affordable and explained that there will be seven studio units, 11 one-bedroom units, and one two- or three-bedroom unit. Moreover, the representative stated that the developer has contracted an affordable housing consultant, Forsyth Street Advisors.

In response to Deputy Borough President Reyna's inquiry as to the marketing strategies that will be used in the tenant selection process in order to ensure the highest participation of Brooklyn Community District 3 (CD 3) residents, the representative stated that the applicant has contracted with the Pratt Area Community Council (doing business as IMPACCT Brooklyn), an affordable housing non-profit that would administer the affordable housing lottery and market units to local residents. Deputy Borough President Reyna followed up by asking whether IMPACCT Brooklyn would also provide technical assistance to prospective applicants in order to address barriers to eligibility prior to the marketing process.

In response to Deputy Borough President Reyna's inquiry as to whether the applicant is promoting the market rate units to local residents who may be eligible, the representative stated that the applicant will look into the matter.

In response to Deputy Borough President Reyna's inquiry as to what consideration has been given to utilizing the Food Retail Expansion to Support Health (FRESH) program and incorporating a supermarket in the proposed development's 14,000 square foot (sq. ft.) commercial ground floor, the representative expressed that the applicant is not seeking a supermarket or FRESH program

tax incentives at this time, but intends to do so later in the development process. Deputy Borough President Reyna requested that the applicant market commercial space to Minority- and Women-Owned Enterprise (MWBE) tenants and recommended that the applicant reach out to the National Supermarket Association, which has a large network of MWBEs.

In response to Deputy Borough President Reyna's inquiry as to whether the developer would receive a floor area bonus for the second-floor commercial facility, the representative stated that the applicant would receive no such bonus. When asked why the applicant has chosen to include a second-floor medical facility instead of additional residential floor area, the representative disclosed that the developer currently leases space to the Bedford-Stuyvesant Alcoholism Treatment Center at 722 Myrtle Avenue, and to several dialysis centers located in Crown Heights and the Bronx. The developer has heard from several local medical offices that are seeking additional space in the area.

In response to Deputy Borough President Reyna's question as to what consideration has been given to incorporating sustainability measures, the representative stated that the developer has started discussions with two energy consultants, and will retain one to help integrate sustainability measures at 723-33 Myrtle Avenue that go beyond the 2014 Construction Code.

## Consideration

On June 27, 2017, Brooklyn Community Board (CB 3) approved this application without conditions, and requested that the developer comply with Option One of the MIH program.

The area proposed to be rezoned is located in the northwestern section of Bedford-Stuyvesant in CD 3. It comprises 22 tax lots and portions of tax lots with three block frontages along the north and south sides of Myrtle Avenue, between Nostrand Avenue, Sandford Street, and Walworth Street. Properties north of Myrtle Avenue are located in an M1-1 district, and those south of Myrtle Avenue are in an M1-2 district. Nearby, along Myrtle Avenue, is an M1-2/R6A district between Franklin Avenue and Spencer Street, an R6 district (on the north side), an R7D district (on the south side) extending east of Nostrand Avenue, and an R7A district extending west of Bedford Avenue. The R7A and R7D districts were established in 2012, as part of the Bedford-Stuyvesant North Rezoning, and initiated at the request of CB 3. This rezoning established Inclusionary Housing Areas, which provide incentives to create and preserve affordable housing in conjunction with new development.

The applicant is therefore seeking to extend the Bedford-Stuyvesant North Rezoning to the three block frontages by mapping R6A, R7D, and C2-4 zoning districts, and Inclusionary Housing Area designations. These actions are intended to align with policy goals articulated in the rezoning, which sought to increase opportunities for affordable housing and strengthen the commercial character of Myrtle Avenue, as well as promote mixed-use development pursuant to the bulk regulations approved in 2012.

The surrounding context is a mix of distribution/warehousing, commercial, and community facilities, with accessory parking lots. There are several buildings containing conforming and non-conforming residential uses. The commercial and residential properties surrounding the project site are low- to mid-rise buildings that are largely contextual to the neighborhood. Marcy Houses, a large New York City Housing Authority (NYCHA) development, is located to the east of Nostrand Avenue, and the project area. Myrtle Avenue forms the area's east-west commercial spine, with secondary north-south corridors along Bedford and Nostrand avenues.

In order to construct 723-733 Myrtle Avenue, the developer intends to merge five tax lots, thus creating a 14,670 sq. ft. zoning lot. The proposed building will contain eight stories, with approximately 82,000 sq. ft. of floor area. The building would contain approximately 13,670 sq. ft. of commercial floor area, 14,670 sq. ft. of community facility floor area, and 53,611 sq. ft. of residential floor area. The development would include an underground parking garage with 68 spaces and a curb cut on Myrtle Avenue.

The developer has represented that the bedroom mix would consist of approximately 27 studio units and 45 one-bedroom units, with three units configured as two- and/or three-bedroom units. The developer believes that this unit mix is responsive to community needs, and would provide affordable housing pursuant to MIH regulations. Under MIH Option One, approximately 19 of the units would be set aside as permanently affordable, with 50 percent reserved for residents of CD 3.

Borough President Adams supports the development of underutilized land and vacant properties for productive uses that address the City's need for additional affordable housing. The redevelopment of the applicant's property into a 75-unit residential building with 19 proposed MIH units would provide additional opportunities for households seeking affordable housing, while bringing job-generating medical space and retail opportunities to a neighborhood commercial corridor.

Borough President Adams supports appropriate density in proximity to public transit. The block fronts along Myrtle Avenue proposed to be rezoned are served by multiple buses and subways. The B54 bus runs east/west along Myrtle Avenue while the B44 bus at Flushing and Nostrand avenues provides additional north/south service. The Myrtle-Willoughby Avenues subway station, served by the Brooklyn-Queens Crosstown Local G train, is located one block east, at the intersection of Marcy and Myrtle avenues.

The proposed rezoning would result in a reduction of land zoned for manufacturing in Bedford-Stuyvesant. However, unlike other rezonings of manufacturing areas, this action would bring non-conforming residential buildings into zoning conformance and connect these block fronts to recently upzoned sections of Myrtle Avenue where housing development, including affordable housing, has been encouraged at higher densities. This is especially appropriate at Myrtle Avenue, which is a major bus route and transit zone. In addition, the applicant's intent to utilize floor area for medical use would provide needed employment opportunities for varied skill sets. Such employment opportunities sufficiently compensate for the reduction of manufacturing zoned land, as the health care and health care support sectors provide a significant number of jobs for Brooklyn residents, and are projected to grow in the coming years.

Brooklyn is one of the fastest growing communities in the New York metropolitan area and the ongoing Brooklyn renaissance has ushered in extraordinary changes that were virtually unimaginable even a decade ago. Unfortunately, Brooklyn's success has led to the displacement of longtime residents who can no longer afford to live in their neighborhoods. Borough President Adams is committed to addressing the borough's affordable housing crisis through the creation and preservation of needed affordable housing units for very low- to middle-income Brooklynites.

Borough President Adams, therefore, supports developments that provide housing opportunities to a diverse range of household incomes, allowing a wide range of households to qualify for affordable housing through the City's affordable housing lottery.

It is also Borough President Adams' policy to support the development of affordable housing and seek for such housing to remain "affordable forever," wherever feasible. According to MIH, the

development of the applicant's property would result in 25 percent permanently affordable housing floor area. Development adhering to the MIH program is consistent with Borough President Adams' policy for affordable housing development to remain permanently affordable.

The New York City Zoning Resolution (ZR) requires the affordable housing units to be overseen by a non-profit administering agent, unaffiliated with the for-profit developing entity, except when otherwise approved by the New York City Department of Housing Preservation and Development (HPD). Such administering non-profit becomes responsible for ensuring that the affordable housing remains in accordance with its regulatory agreement, which governs the development's affordable housing plan. These tasks include verifying a prospective tenant household's qualifying income, and approving the rents of such affordable housing units. The administering non-profit is responsible for submitting an affidavit to HPD attesting that the initial lease-up of the affordable housing units is consistent with the income requirements, and for following up with annual affidavits to ensure conformity.

In this community, there are several non-profits with a proven track record of successfully marketing affordable housing units and promoting affordable housing lottery readiness through educational initiatives.

It is Borough President Adams' policy to advocate for affordable housing non-profits to play a contributing role toward the success of community participation in accessing neighborhood affordable housing opportunities, including serving as non-profit administering agents for new developments involving affordable housing. Borough President Adams recognizes that CD 3 has multiple non-profit entities that are entrenched in the community they serve, and whose core missions include being providers and strong advocates of affordable housing. One such organization, IMPACCT Brooklyn, has been active in the community in promoting affordable housing lottery readiness. In July 2017, JMS Realty Corp., submitted documentation indicating that IMPACCT Brooklyn is expected to act as the administering agent on this project. In this capacity, IMPACCT Brooklyn would market the affordable housing lottery and secure qualified renters, including residents of CD 3, for the 19 MIH units at 723-733 Myrtle Avenue.

Borough President Adams is generally supportive of the proposed development. However, he is concerned that the requested rezoning may lead to the displacement of businesses and residents on Myrtle Avenue, where such development would not be obligated to provide affordable housing, does not offer a greater amount of affordable housing floor area in exchange for a significant upzoning, and does not offer a more family-oriented bedroom mix. He also believes that there are opportunities to improve the proposal while furthering his policies. Such opportunities include providing access to fresh food and local jobs, advancing resilient energy and sustainable and stormwater management policies, as well as improving transportation options.

## **Greater Affordability**

In order to have MIH withstand constitutional challenges, it must have consistency for advancing a public purpose. However, in doing so, the proposed MIH rezoning falls well short of recapturing the added value of such a drastic proposed increase in floor area because it creates more development opportunity through more than quadrupling the market-rate floor area when compared to more modest upzonings, such as the R6A district that is proposed to the south of the site and R7A district further to the west. Thus, any zoning district in excess of R7A lacks leverage to induce more affordable housing as a public benefit pursuant to MIH. As such, the proposed

rezoning would substantially enrich the development site with market-rate floor area without the public benefit of extra affordable housing, compared to a lesser upzoning.

Borough President Adams believes that significant upzonings should yield more affordable housing and, where appropriate, at deeper levels of affordability than upzonings that do not provide as much of an increase in density. As rectifying this inequity cannot be achieved directly through MIH, he believes that equity can be advanced in a manner that blends the voluntary inclusionary designated area's affordable housing bonus to achieve the maximum permitted floor area. Borough President Adams believes that maximizing the number of affordable units while lowering the levels of household affordability can be achieved by blending what is required, according to the proposed MIH, with a voluntary special bulk permit.

Specifically, under this request, Borough President Adams believes that if developers do not choose to exceed the MIH requirements, the site should be developed according to the R7A MIH regulations, which stipulate a Floor Area Ratio (FAR) of 4.6. As proposed to be mapped, the R7D zoning represents 14,670 sq. ft. of lot area with 46,944 sq. ft. of additional development rights. Of such rights, approximately 33,500 sq. ft. would be used for market-rate floor area on top of the existing 35,208 sq. ft. of market-rate floor area. These rights are 14,670 sq. ft. in excess of what is permitted in the R7A MIH district. Borough President Adams believes that some portion of these rights might reasonably be considered to further public benefit. For the JMS Realty Corp. to seek the additional 1.0 FAR, there should be a requirement that 40 percent of the additional floor area be affordable based on rents averaging 60 percent of Area Median Income (AMI). Linking a substantial amount of market-rate floor area in excess of the 4.6 FAR, at an increased percent of the affordability requirement between 4.6 FAR and 5.6 FAR, or 25 percent to 40 percent, would produce approximately 3,670 sq. ft. of additional floor area for affordable housing. Moreover, linking a substantial amount of market-rate floor area (1.0 FAR) to the zoning bonus provides a much greater incentive for a developer to use the bonus, thus generating the publicly desired affordable housing.

Therefore, unless there is an adequate demonstration by the developer of a commitment to pursue a zoning text amendment for a voluntary affordable housing bonus permitting the R7D bulk and FAR (provided that of the additional 1.0 FAR, 40 percent is affordable to no less than 60 percent AMI average rent), it would not be appropriate for the north side of this site to exceed R7A zoning in order to provide affordable housing to more households. The City Planning Commission (CPC) and/or City Council should set forth that the requested R7D zoning district be conditioned on such a text change to create a special permit affordable housing bonus or other legal mechanism that commits an additional 3,670 sq. ft. of affordable housing at an average rent based on 60 percent AMI. Otherwise, the CPC or City Council should modify the proposed R7D district between Sanford and Walworth streets to an R7A MIH district.

## Limit Rezoning to Better Leverage Affordable Housing in the Future

In addition to the block front containing applicant's site, the requested zoning change from M1-1 to R7D includes the north side of Myrtle Avenue between Nostrand Avenue and Sandford Street. This block includes a large 15,775 sq. ft. lot with a one-story enclosed building materials wholesale facility, a 2,155 sq. ft. lot with a three-story mixed use building with four dwelling units and ground-floor commercial use, a 3,233 sq. ft. vacant lot, a 4,375 sq. ft. lot with a two-story building with one dwelling unit and ground-floor commercial use, and a 1,000 sq. ft. lot with a two-story, two-unit residential building.

Several of these lots are substantially underbuilt, while others contain non-conforming residential use. Subsequent to the rezoning, such lots may be considered desirable soft sites for market-rate

development. Though the developer's Environmental Assessment Statement (EAS) development scenarios are projected for three lots on the adjacent Sandford Street block that would result in three buildings with a maximum height of 115 feet, and a total of 23 affordable units pursuant to

MIH, it would be contrary to Borough President Adams' policy to seek greater participation of affordable housing for significant upzonings.

While some of the smaller parcels were not evaluated in the project's Environmental Assessment Statement (EAS), there appears to be a reasonable possibility that those sites could be developed for residential use without the inclusion of floor area pursuant to the MIH program. According to ZR Section 23-154(d)(4), a single development of no more than 10 residential units or less than 12,500 square feet of residential floor area, on a zoning lot that existed on the effective date of the proposed rezoning need not comply with the MIH affordability requirements. Therefore, such a development would not result in affordable housing units or even payment made into the City's affordable housing fund. Instead, it would displace occupants of existing dwelling units through demolition and new construction.

Borough President Adams is concerned that rezoning to the extent requested would not achieve enough affordable housing units that are consistent with his policies, and to otherwise offset any resulting residential and industrial displacement to facilitate new development. In order to minimize displacement resulting from building demolition, Borough President Adams believes it is appropriate to change the proposed R7D district to an R7A district until such time that a developer comes forward with the appropriate assemblage of these lots. Such rezoning would reduce the development incentive for the displacement of businesses and residents until adequate property assemblage would provide for an enhancement of the affordable housing opportunities pursuant to the MIH program.

In order to retain these lots as opportunities to provide a greater amount of affordable housing, Borough President Adams believes that it is appropriate for CPC or the City Council to modify the proposed R7D zoning by adopting an R7A district designation for the block front on the north side of Myrtle Avenue between Nostrand Avenue and Sandford Street.

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

A recent report identified that rent-burdened households, which typically represent those households applying to the City's affordable housing lotteries, are more likely to require family-sized apartments. Therefore, Borough President Adams is concerned that the proposed mix of affordable housing units would not reflect the unique needs of CD 3's low- to middle-income rent-burdened families, who are not seeking senior housing units.

Borough President Adams believes that using the affordable housing floor area for right-sizing the bedroom distribution is more important than maximizing the number of affordable housing units. Though pursuant to MIH in and of itself, there is not sufficient leverage to provide for a greater number of bedrooms for the affordable units as part of this development.

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 723-733 Myrtle Avenue presents an opportunity to achieve family-sized units for the non-elderly. Borough President Adams seeks to require a minimum threshold for non-independent residences for senior housing to accommodate family-sized apartments. Borough President Adams ideally supports having at least 50 percent of the bedroom mix configured as two- or three-bedroom affordable housing units, and at least 75 percent configured as one- or more bedroom

affordable housing units, consistent with the zoning text for Inclusionary Housing floor area, pursuant to ZR Section 23-96(c)(1)(ii).

Borough President Adams believes that the 723-733 Myrtle Avenue residential floor area should be designed to provide more two- and three-bedroom dwelling units to accommodate a greater percentage of families with children, with rents targeting households qualifying at AMIs of 40 percent and greater and averaging 60 percent AMI. In addition, he believes that such floor area should have a greater number of studio and one-bedroom units with rents at 40 percent AMI to accommodate a greater percentage of senior households.

Prior to considering the application, the City Council should obtain commitments in writing from the developer, JMS Realty Corp., that clarify how it would realize a greater percentage of affordable two- and three-bedroom units, as compared to the market-rate apartment mix, in order to accommodate a greater percentage of families with children, consistent with ZR 23-96(c)(ii).

## **Enhancing Access to Fresh Food**

It is one of Borough President Adams' policies to review all land use applications to determine whether it is appropriate to include a supermarket within the plans. He is concerned about limited access to affordable fresh food stores in many Brooklyn neighborhoods. In order for all of Brooklyn to flourish, it is imperative that the borough's residents have an adequate supply of grocery stores and supermarkets in their neighborhoods that provide affordable and fresh foods. Access to healthy food options, whether achieved by creating more options and/or maintaining access to healthy food options, is a top priority for Borough President Adams.

Bedford-Stuyvesant, a designated food desert, is significantly underserved by access to fresh, quality food options. In response, the ZR recently established FRESH program incentives and the City makes financing available through its FRESH initiative. The location of this site makes it eligible for these financing and zoning initiatives, and the proposed retail footprint is an opportunity to establish a supermarket in the development.

An affordable supermarket at 936 Myrtle Avenue was recently demolished to make way for a highrise residential development. There is one supermarket in the vicinity, and another FRESH supermarket has been approved as part of the development at 859 Myrtle Avenue. Given that a large proportion of the area's residents live in public housing, with more than 4,000 tenants in Marcy Houses alone, the area may benefit from an additional affordable supermarket at 723-733 Myrtle Avenue that would serve a range of incomes, while meeting additional demand for fresh and quality food options.

The proposed development provides 13,670 sq. ft. of commercial area and the developer has indicated intent to explore FRESH financing incentives at a future date. Borough President Adams believes it is appropriate to request a written commitment from the developer to seek a supermarket operation in a manner consistent with the FRESH program.

Therefore, prior to the City Council vote, JMS Realty Corp. should memorialize how it would retain a FRESH supermarket or its equivalent based on reasonable lease terms on the ground floor, for example, by marketing the commercial floor area to affordable supermarket operators prior to targeting other uses for occupancy.

# 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 with the New York City Mayor's Office of Sustainability (Mayor's Office of Sustainability), the New York State Energy Research and Development Authority (NYSERDA), and/or the New York Power Authority (NYPA) at each project site. Such modifications

tend to increase energy efficiency and reduce a 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 infrastructure strategy. Bioswales, blue/green roofs, and permeable pavers would deflect stormwater from the City's water pollution control plants. According to the "New York City Green Infrastructure 2016 Annual Report," green infrastructure plays a critical role in addressing water quality challenges and provides numerous economic, environmental, and social co-benefits.

Borough President Adams believes it is 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 in opening dialogue with the aforementioned agencies and to further coordinate on this matter.

The proposed development offers opportunities to explore resiliency and sustainability measures such as incorporating blue/green/white roof finishes, Passive House construction principles, solar panels, and wind turbines in the development.

Therefore, prior to considering the application, the City Council should obtain commitments in writing from the developer, JMS Realty Corp., that clarify how it would memorialize integrating these resiliency and sustainability features at 723-733 Myrtle Avenue.

#### 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 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-Owned Business Enterprises (LBEs) and 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 that 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).

Therefore, prior to considering the application, the City Council should obtain commitments in writing from the developer, JMS Realty Corp., that clarify how it would memorialize the extent to which it would retain Brooklyn-based contractors and subcontractors, especially those that are designated LBEs consistent with section 6-108.1 of the City's Administrative Code, and MWBEs. This would be undertaken to meet or exceed standards per Local Law 1 (no less than 20 percent participation), as well as comply with the requirements of HPD's Build Up program.

## Citi Bike Station Expansion

In the last few years, Citi Bike has become increasingly popular as it provides a cheap and environmentally-friendly way to get around New York City. Currently, Citi Bike is in the midst of a rapid expansion, with the promise of 700 stations and 12,000 bikes by 2017.

Borough President Adams believes that it is appropriate for the New York City Department of Transportation (DOT) to take new destinations into account while considering how to best serve Citi Bike members, as well as to encourage membership growth.

The blocks proposed for rezoning in this application are situated in a larger manufacturing zone bounded by Flushing and Myrtle avenues and Classon and Nostrand avenues/Steuben Street. In reviewing this zoning request, it became apparent that the northern portion of this area is largely lacking in Citi Bike docks, which are located exclusively on its periphery at Myrtle Avenue. Moreover, the area is poorly served by public transportation and contains a significant concentration of industrial businesses. Citi Bike has the capacity to provide efficient commutes when its docking stations are located in areas with unmet demand for transportation. Borough President Adams recognizes that industrial zones are less convenient to public transportation than other employment centers. He believes that Citi Bike infrastructure can ease and improve commutes for industrial workers by establishing transit connections and encouraging commuting to work entirely through Citi Bike use.

Therefore, Borough President Adams calls on DOT to investigate the feasibility of adding one or more Citi Bike stations north of Myrtle Avenue in the M1-1 and M1-2 zoning districts, in order to better serve employees of local industrial businesses. Implementation should proceed based on consultation with CB 3, industrial businesses, and local elected officials.

## **Prevailing Wages and Local Hiring for Building Service Workers**

Jobs within the building service sector have long served as a pathway to middle-class living for lower-income individuals, including immigrants and people of color. With low barriers to entry and real career prospects, building service jobs, when compensated at prevailing wage standards, provide average wages at twice that of the retail sector and are often filled through local hiring.

Borough President Adams believes that it is appropriate to advocate for economic opportunities that allow families to remain in their neighborhoods, by providing sufficient income to alleviate their rent burdens. He further believes that building service positions often result in locally-based employment. Therefore, Borough President Adams strongly encourages the developer, JMS Realty Corp., to commit to hiring locally for building service jobs and paying prevailing wages with benefits to their workforce.

### Recommendation

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

1. Limit the requested R7D zoning to R7A MIH between Sandford and Walworth streets unless the developer files a legal mechanism that provides for a demonstration by the developer to pursue a zoning text amendment that would permit a voluntary affordable housing bonus permitting R7D bulk and FAR, provided that the additional 1.0 FAR (in excess of R7A MIH) contains affordable housing floor area at a rate of 40 percent, affordable at no less than 60 percent Area Median Income (AMI) average rent

Otherwise, the City Planning Commission (CPC) and/or City Council should set forth that the requested R7D zoning district should be conditioned on a New York City Zoning Resolution (ZR) text change to create a special permit affordable housing bonus or other legal mechanism that commits an additional 3,670 sq. ft. of affordable housing at an average rent based on 60 percent AMI. If such a condition is not met, the CPC or City Council should modify the proposed R7D to R7A MIH

- 2. Limit the proposed R7D zoning by adopting an R7A zoning district for the block front on the north side of Myrtle Avenue between Nostrand Avenue and Sandford Street, to better leverage MIH opportunities in the future
- 3. That prior to considering the application, the City Council obtain commitments in writing from the developer, JMS Realty Corp., that clarify how it would memorialize the extent that it would:
  - a. Provide for a greater percentage of affordable two- and three-bedroom units as compared to the market-rate apartment mix, as a means to accommodate a greater percentage of families with children, consistent with ZR 23-96(c)(ii)
  - b. Provide for the extent and duration of effort made in securing a Food Retail Expansion to Support Health (FRESH) supermarket tenant or an equivalent tenant in the ground-floor commercial space based on reasonable lease terms
  - c. Continue to explore additional resiliency and sustainability measures such as incorporating blue/green/white roof treatment, Passive House construction principles, solar panels, and wind turbines in the development
  - d. Retain Brooklyn-based contractors and subcontractors, especially those that are designated Local Business Enterprises (LBE) consistent with section 6-108.1 of the City's Administrative Code and Minority- and Women-Owned Business Enterprises (MWBE) as a means to meet or exceed standards per Local Law 1 (no less than 20 percent participation), as well as coordinate the oversight of such participation by an appropriate monitoring agency

## Be It Further Resolved:

- That the New York City Department of Transportation (DOT) investigate the feasibility of adding one or more Citi Bike stations along the perimeter of the development block and review existing stations within or in greater proximity to businesses within the adjacent M1-1 and M1-2 zoning districts to serve employees of local industrial businesses, with implementation proceeding based on consultation with CB 3 and local elected officials
- 2. That the developer commit to recruiting a building service workforce from the local population and paying prevailing wages with appropriate benefits