

Borough President Recommendation

City Planning Commission
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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 representative as indicated on the Notice of Certification.

Applications: C 180115 HAM, C 180116 ZSM

Docket Description:

C 180115 HAM

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

1. Pursuant to Article 16 of the General Municipal Law of New York State for:
 - a) The designation of property located at 302-314 West 127th (Block 1953, Lots 36, 37, 38, 39, 40, & 41) as an Urban Development Action Area; and
 - b) Urban Development Action Area Project for such area; and
2. Pursuant to 197-c of the New York City Charter for disposition of property located at 302, 304, 306, and 310 West 127th Street (Block 1953 Lots 36, 37, 38, 39, & 40) to a developer to be selected by HPD to:
Facilitate an affordable housing development containing 116 affordable units and approximately 96,900 square feet of community facility space in the Borough of Manhattan, Community District 10.

(See Continued)

COMMUNITY BOARD NO: 10

BOROUGH: Manhattan

RECOMMENDATION

- APPROVE
- APPROVE WITH MODIFICATIONS/CONDITIONS (List below)
- DISAPPROVE
- DISAPPROVE WITH MODIFICATIONS/CONDITONS (Listed below)

EXPLANATION OF RECOMMENDATION – MODIFICATION/CONDITIONS (Attach additional sheets if necessary)

See Attached

John A. Brewer

BOROUGH PRESIDENT

1/26/18
DATE

C 180116 ZSM

IN THE MATTER OF an application submitted by NYC Department of Housing Preservation and Development pursuant to Section 201 of the New York City Charter, for the grant of a special permit pursuant to Section 74-903 of the Zoning Resolution to modify the requirements of 24-111 (Maximum Floor Area for certain community facility uses) to permit the allowable community facility floor area ratio of Section 24-11 (Maximum Floor Area Ratio and Percentage of Lot Coverage) to apply to a non-profit institution with sleeping accommodations, in connection with a proposed 12-story building on property located at 302-314 West 127th Street (Block 1953 Lots 36, 37, 38, 39, 40, & 41) in R7-2, R7-2/C1-4 and R8 Districts, Borough of Manhattan Community District 10.



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Gale A. Brewer, Borough President

January 25, 2018

Recommendation on ULURP Application C 180116 ZSM - CUCS 127th Street Supportive Housing By The New York City Department of Housing Preservation & Development

PROPOSED ACTION

The New York City Department of Housing Preservation & Development (“HPD”) or “Applicant”) is seeking several proposed actions to facilitate the construction of an affordable housing development located on Block 1953, Lots 36, 37, 38, 39, 40, and 41 in the Central Harlem neighborhood, Community District 10, Borough of Manhattan.

The actions include the designation of city owned property as an Urban Development Action Area (“UDAA”) and Urban Development Action Area Project (“UDAAP”), and the disposition of city-owned property, Lots 36, 37, 38, and 40 to a developer to be selected by HPD.¹ Lastly, HPD is seeking a special permit pursuant to Zoning Resolution § 74-903 to modify Zoning Resolution § 24-111 to allow community facility floor area ratio of up to 6.5 to be applied to a non-profit institution with sleeping accommodations.

Urban Development Action Area and Urban Development Action Area Project Designation

Under Chapter 15, Section 381 of the Charter, the city may acquire property “whenever required for any public or municipal use or purpose or for the promotion of public utility, comfort, health, enjoyment or adornment.”

City-owned properties that are no longer in use or are in deteriorated or deteriorating condition are eligible to be designated as UDAA and UDAAP, pursuant to the Urban Development Area Act (Article 16 of the State General Municipal Law) and the Urban Renewal Law (Article 15 of the State General Municipal Law). UDAA and UDAAP provide incentives for private entities to correct substandard, unsanitary and/or blighted conditions. According to New York State General Municipal Law § 694(4), to receive a UDAA and/or UDAAP designation the City Planning Commission and the City Council must find that:

- (a) the present status of the area tends to impair or arrest the sound growth and development of the municipality;

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- (b) the financial aid in the form of tax incentives, if any, to be provided by the municipality pursuant to [the tax incentives provisions of the Urban Development Action Area Act]... is necessary to enable the project to be undertaken; and
- (c) the area designation is consistent with the policy and purposes [of the Urban Development Action Area Act].

Section 197-c of the New York City Charter mandates that the disposition of all City-owned real property (other than the lease of office space) be subject to the Uniform Land Use Review Procedure (“ULURP”). While no specific findings must be met to make a property eligible for disposition under Section 197-c, Section 1802(6)(j) of the Charter limits HPD to the disposition of residential real property.

Special Permit

Pursuant to Zoning Resolution § 74-903, the City Planning Commission (“CPC”) may permit the community facility floor area ratio and the community facility bulk provisions to apply to a development, extension or enlargement, or change of use containing long-term care facilities or philanthropic or non-profit institutions with sleeping accommodations, as set forth in paragraph (a), provided that the following findings are met:

- (1) the distribution of bulk on the zoning lot will not unduly obstruct the access of light and air to adjoining properties or public streets, and will result in satisfactory site planning and satisfactory urban design relationships of buildings to adjacent streets and the surrounding area;
- (2) the proposed facility will not require any significant additions to the supporting services of the neighborhood or provision for adequate supporting services has been made; and
- (3) the streets providing access to such use will be adequate to handle the traffic generated thereby or provision has been made to handle such traffic.

The CPC may request a report from appropriate governmental agencies with respect to community facility uses requesting a special permit under this Section. The Commission may prescribe appropriate conditions and safeguards to minimize adverse effects on the character of the surrounding area.

PROJECT DESCRIPTION

The Proposed Development will consist of the construction of a 12-story building with approximately 116 units affordable to homeless and low-income individuals and families, plus a two-bedroom unit for the superintendent. The proposed use is a non-profit institution with sleeping accommodations under the Use Group 3 community facility provisions.

Background

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Lots 36, 37, and 38 were part of previous land use applications in 1996 and 2001. Lot 36 was part of a disposition action undertaken by the Department of Citywide Administrative Services in 1996. It was ultimately disapproved by the City Council on March 21, 1996.² The Community Board (“CB10”) unanimously disapproved the application in that matter. Instead of a disposition, CB10’s resolution requested that the lot remain in the city’s portfolio and an assemblage with the adjacent lots be undertaken for future development.³

In 2001, Lots 36, 37, 38 along with other city-owned properties were part of a disposition action undertaken by the Department of Citywide Administrative Services. The City Planning Commission recommended that the lots in question be disposed of as assemblages to allow for more flexible site planning. The City Council passed a resolution on that matter approving the disposition of several city-owned lots, but removed the instant lots from the approval.⁴ No reason was provided in the council’s resolution.⁵

This proposed development is intended to serve as permanent supportive housing developed by and managed by the Center for Community Urban Services (“CUCS”). CUCS is a not-for-profit organization that provides housing and service programs for homeless and low-income people, particularly those suffering from serious mental illness, HIV/AIDS, and other disabling conditions. CUCS sponsors several service sites throughout Manhattan, Brooklyn, and the Bronx that provide a range of programs and services, including transitional living communities, an outreach program, a job training and employment program, a training, consultation, and housing information services department, a permanent supportive housing program, and psychiatric outreach to the homeless. Individuals are selected for supportive housing services by applying while living in a shelter or through the CUCS street outreach program in coordination with the Manhattan Outreach Consortium, a group they co-founded in 2007 along with Goddard Riverside and Breaking Ground.

In a meeting with my office, the representatives from HPD and CUCS stated that they expect the proposed building’s residents will be split 60/40 between homeless and low income residents. The homeless residents will be selected through the shelter system as well as the CUCS street outreach efforts. Low income families will be selected through the Housing Connect lottery selection system. Residents are expected to be capable of independent living, however, services will be provided for those who require transportation and someone will accompany them to appointments as well.

There will be 24 hour security on site. Additionally, psychiatric and medical staff will be present on site during scheduled hours. We learned that there will also be services available for the children of residents.

In 2015, the NY State Comptroller’s Office audited the New York City Department of Health and Mental Hygiene’s (DOHMH) administration of a contract with CUCS for the period July 1, 2010 through July 15, 2015. The audit included a review of costs claimed by CUCS and paid by DOHMH for the fiscal year ending June 30, 2013. The objectives of the audit were to determine whether DOHMH provided sufficient oversight to ensure that CUCS rendered the prescribed services, and ensured that CUCS was reimbursed only for appropriate contract expenses. A

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report was published in February 2016. The State Comptroller's Office made the following findings:⁶

1. DOHMH did not effectively administer certain financial aspects of the contract. As a result, CUCS overbilled DOHMH by about \$1.06 million during the year ended June 30, 2013. The overbillings include \$1.05 million of improperly claimed personal service expenses and \$11,889 of unsupported or inappropriate non-personal service costs.
2. The improper personal service charges included about \$829,000 that was based on unsupported average annual salaries and related fringe benefits instead of actual employee compensation costs incurred by CUCS. For example, a QFR listed \$45,774 as the average annual salary for eight social workers, whose average annual salaries were actually \$36,806. Thus, on an annual basis, CUCS overbilled DOHMH \$8,968 (\$45,774 - \$36,806) for each of the social workers.
3. Reviews conducted by DOHMH's Claims Verification Unit were inadequate and failed to detect the deficiencies in the QFRs submitted by CUCS for program reimbursements.

As a result, the State Comptroller's Office made the following recommendations:

1. Follow up on the unsupported and/or inappropriate expenses (totaling about \$1.06 million) as detailed in this report and recover overpayments, as appropriate.
2. Work with CUCS officials to develop a financial reporting methodology that uses actual program expenses for QFR preparation and reimbursement purposes.
3. Require CUCS to maintain detailed records documenting actual staff work effort between CUCS programs. Further, require CUCS to use actual staff work effort to allocate staff compensation among programs.
4. Enhance financial review/audit procedures to ensure DOHMH does not reimburse CUCS for ineligible costs.

The Department of Health and Mental Hygiene filed a formal response with the NY Comptroller's Office on November 17, 2015 refuting the State Comptroller's findings and disagreed with their recommendations. No further action was taken by the Comptroller's Office.

Area Context

The proposed Project Area is in the Central Harlem neighborhood of Manhattan Community District 10. It is bounded by West 127th Street to the north, West 126th Street to the south, St. Nicholas Avenue to the west, and Frederick Douglass Boulevard to the east.

The properties within approximately 600 feet of the Project Area are zoned R7-2, R8, R8A, C4-4D, and C4-4A and are predominantly developed with multifamily residential buildings. Building heights range from 5 to 14 stories.

The majority of the surrounding area is zoned R7-2, a medium density non-contextual zoning district that permits residential and community facility development with a maximum FAR of 3.44 on narrow streets for residential use and 6.5 for community facility use. Building heights in R7-2 districts are governed by the sky exposure plane which begins 60 feet above the street line. Buildings in R7-2 districts may also be built to Optional Quality Housing regulations.

To the south of the Project Area is the Special 125th Street District. Some of the goals of the special district are to protect and promote the special character of 125th Street as Harlem's "Main Street," expand the retail and commercial character of 125th Street, and promote the creation of visual and performing arts space. The portion of the special district within 600 feet of

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the Project Area is zoned C4-4D and C4-7. The C4-7 district permits a maximum FAR of 10.0 for both residential and commercial uses. The C4-4D district is a medium density contextual district with a maximum FAR of 3.4 for commercial use and 6.02 for residential use.

The surrounding area is characterized by a diverse stock of commercial, residential, and institutional uses. It is primarily characterized by mixed-use development, primarily residential with ground-floor retail along Frederick Douglass Boulevard and St. Nicholas Avenue.

Commercial and institutional uses are concentrated southeast of the Project Area especially along West 125th Street. A U.S. Social Security Administration office is located south of the Project Area on 126th Street and Frederick Douglass Boulevard. The world famous Apollo Theater is located just two and a half blocks east of the Project Area on West 125th Street.

The surrounding area also contains a mixture of building types. The block immediately to the north of the Project Area is the location of the Bolton (C 080219 ZMM), a 12-story mixed-use residential building with ground floor commercial uses. The West 127th Street Rezoning in 2008 facilitated that development. The St. Nicholas Houses, a NYCHA development with thirteen 14-story buildings is located immediately northeast of the Project Area. The Frederick, a 15-story affordable, mixed-use development which is the subject of a recently approved land use application, will be one block north of the Project Area.

The area immediately surrounding the Project Area is well served with open space. St. Nicholas Park, a 23-acre park extending from West 128th Street to West 141st Street begins just one block north of the Project Area.

The Project Area is within a Transit Zone and is well served by public transit. Access to the A, B, C, and D subway lines is available at West 125th Street and St. Nicholas Avenue, two blocks southwest of the Project Area. Access to the 2 and 3 subway lines is available at West 125th Street and Malcolm X Boulevard, four blocks southeast. Bus service is also available near the Project Area. The M10 bus runs along Frederick Douglass Boulevard and the M3 runs along St. Nicholas Avenue. The Bx15, the M100, M101, and M104 are accessible at West 125th Street.

The area is also home to a number of houses of worship and cultural institutions. The Great Zion Hill Baptist Church is adjacent to the Project Area, and the Unity Funeral Chapel is a half block east.

Project Area / Project Site

The proposed Development Site and the Project Area are one and the same. It consists of three unimproved City-owned interior tax lots (Block 1953, Lots 37, 38, 40), a City-owned lot improved with a vacant 1-story community facility building (Lot 36), an unimproved lot owned by CUCS (Lot 39), and a lot owned by CUCS improved with two adjoining 4-story buildings (Lot 41). The buildings located on Lot 41, known as "The Kelly", currently serve as transitional housing operated by CUCS. The contiguous lots will form a single 15,077 sq. ft. zoning lot with approximately 171 feet of frontage on 127th Street.

The Development Site is also within a FRESH Program area.

Proposed Project

The Proposed Development will consist of the construction of a 12-story building with approximately 116 units affordable to homeless and low income individuals and families. A two-bedroom unit will also be included for the building's superintendent. There will also be 1,200 square feet of community facility space that is expected to be used for meetings by building tenants and neighborhood residents. The proposed use is a non-profit institution with sleeping accommodations under the Use Group 3 community facility provisions.

The proposed building will contain approximately 96,898 square feet of community facility floor area with an FAR of 6.5. The building will incorporate a 15 and 16 foot setback from the streetline. It will stand 119'2" feet tall. A 30 foot landscaped rear yard with an outdoor patio for passive recreation will be located on the ground floor.

34 of the units in the Proposed Development would be reserved for homeless adults with Serious and Persistent Mental Illness ("SPMI"). Approximately 36 units would be reserved for homeless families with a head of household living with SPMI or Mental Illness and Chemical Abuse ("MICA"). An additional 46 units would be affordable to low-income individuals and families at 60 percent Area Median Income (AMI).

Proposed Actions

As previously noted, the proposed project would create a 12-story building with affordable units for homeless and low income individuals and families. To facilitate this development, the following actions are required:

Urban Development Action Area Project Designation, Project Approval, and Disposition

The Project Area is comprised Lots 36, 37, 38, 39, 40, and 41 on Block 1953. The property fronts on 127th Street between Frederick Douglass Boulevard and St. Nicholas Avenue. The applicant describes the Project Area as vacant property, which tends to impair or arrest the sound development of the surrounding community, with or without tangible blight. Incentives are needed in order to induce the correction of these substandard, insanitary, and blighting conditions. The proposed project is intended to promote and protect health and safety while also promoting sound growth and development. The applicant asserts that the Project Area is, therefore, eligible to be an Urban Area Action Area Project pursuant to Article 16 of the General Municipal Law.

Zoning Special Permit

The applicant is seeking approval of a special permit pursuant to ZR § 74-903 to modify the FAR requirements of ZR § 24-111, which permit community facility FAR of up to 6.5 pursuant to ZR § 24-11 to be applied to a non-profit institution with sleeping accommodations. An as-of-right development of a non-profit institution with sleeping accommodations would be limited to an FAR of 3.44 in the R7-2 zoning district and a 6.02 FAR in the portion zoned R8. The

applicant is seeking a special permit that would permit a total FAR of 6.5. The as-of-right development would be a total of 60,435 square feet as opposed to the proposed building's floor area of 96,898 square feet. The as-of-right maximum floor area would be approximately 40 percent smaller than the proposed building, therefore producing significantly less affordable housing units.

ZR § 24-903 permits a FAR up to 6.5 for non-profit institutions with sleeping accommodations if the following findings are met: 1) access of light and air to the adjoining properties or public streets; 2) the provision of adequate supportive services; and 3) the adequacy of the streets providing access to the facility to handle the traffic generated by it.

The instant application was accompanied by a Statement of Findings ("Statement") which addressed the special permit findings. The Statement of Findings offers a detailed explanation as to why the Proposed Development would not obstruct light and air to adjoining properties or public streets. It also describes the services that would be provided on-site to residents of the project and asserts that it will not result in an increased demand on surrounding facilities or require additional supportive services in the community. Finally, the Statement offers a detailed explanation supporting the EAS conclusion that neither transit nor pedestrian thresholds will be exceeded, and concludes that the surrounding streets providing access to the proposed development will be adequate to handle the traffic generated.

COMMUNITY BOARD RECOMMENDATION

On Monday, November 13, 2017, Manhattan Community Board 10's Land Use Committee Meeting heard the development plans for instant ULURP application. The Land Use Committee voted unanimously in support of the application with the condition that outreach be conducted to the neighboring businesses and residents. In addition, the committee requested the project offer units for residents with an income at 30 percent of AMI to insure more affordability.

At the Wednesday, December 06, 2017 General Board meeting the full board voted in support of the application with a vote of 14 in the affirmative, 7 in the negative, 2 abstentions and 1 recusal. The resolution to approve the project contained the additional request that the application process have less of an emphasis on credit history as criteria for tenants and a greater emphasis on rent history. It was noted that credit history has been a major impediment for the target population in securing housing.

BOROUGH PRESIDENT'S COMMENTS

The need for supportive housing and affordable housing for low income New Yorkers. Reports by the Department of Homeless Services ("DHS") reveal that the number of homeless New Yorkers sleeping in city shelters is nearly 80 percent higher than it was ten years ago. In 2017 more than 129,000 different homeless men, women, and children slept in the New York City shelter system⁷. According to NYC Homeless Outreach Population Estimate (HOPE) 2017, there were 3,892 unsheltered individuals on New York City streets, many living with mental illness.

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There are currently 250,000 people on NYCHA's waiting list, 150,000 on the Section 8 waiting list, and affordable housing developments receive tens of thousands of applications.

The Proposed Project is an excellent example of what can be accomplished with city-owned land. We have a real opportunity to create a permanent home for some of our city's most vulnerable citizens. CUCS has been a leader in engaging with the homeless in our city for decades. CUCS, and others like them, serve individuals who would have succumbed to the perils they face daily and their plight would remain invisible if not for the advocacy of organizations like CUCS. This proposal will create 116 homes for homeless individuals and families while also providing 45 homes affordable to low income families. This is a commendable effort on the part of CUCS and HPD, and the proposal exhibits the best of what this city can do for its citizens when its resources are put to good use.

I have spoken with representatives from HPD about the NY State Comptroller's report in 2016 and I am satisfied by their response to the State Comptroller's Office that the figures presented in the Comptroller's report are inaccurate or mischaracterized. The Department of Health and Mental Hygiene along with HPD remain committed to this project so I am comfortable with the project moving forward at this time.

HPD should take the Community Board recommendation under serious advisement and consider alternative measures to ensure the neighborhoods lowest income residents qualify for the income targeted units. Efforts should be made to create as many deeply affordable units as possible within the 30 percent AMI band.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends approval of ULURP Application No. C 180116 ZSM.



Gale A. Brewer
Manhattan Borough President

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¹ The CUCS was selected. They currently manage over 2,200 supportive housing units in Manhattan, Brooklyn, and the Bronx.

² C 960075 PPM

³ Id.

⁴ C 000507 PPM

⁵ Id.

⁶ <http://osc.state.ny.us/audits/allaudits/093016/14n5.pdf>

⁷ http://www.coalitionforthehomeless.org/wp-content/uploads/2018/01/NYCHomelessShelterPopulation-Worksheet1983-Present_Nov2017.pdf