

October 31, 2023

## Recommendation on ULURP Application Nos. C240046HAM and C240047PQM – 101 East 118th Street (Timbale Terrace) By The New York City Department of Housing, Preservation and Development

# **PROPOSED ACTIONS**

The New York City Department of Housing, Preservation and Development ("HPD"), the Department of Citywide Administrative Services ("DCAS"), and the New York City Police Department ("NYPD") (collectively the "Applicants") are proposing several land use actions to facilitate the development of a 19-story mixed-use building located at 101 East 118th Street (Block 1767, Lots 1, 2, 3, 4, 67, 68, 69, 71, 72, 168, 169) in Community District 11 (the "Site").

The Applicants propose the following actions:

Designation of the Site as an Urban Development Action Area ("UDAA"), and Urban Development Action Area Project ("UDAAP") approval of the proposed development and disposition of the Site.

Acquisition by the City of approximately 29,782 square feet on the ground floor and second floor of the Site for use by the NYPD.

These actions would facilitate the development of Timbale Terrace, a 19-story building containing approximately 340 units of affordable housing, a ground-floor community facility space, and 75 replacement NYPD parking spots.

# BACKGROUND

## **East Harlem Rezoning**

The Site is located in the Special East Harlem Corridors District. When the rezoning of that area, also known as the East Harlem Rezoning, was first proposed, then-Manhattan Borough President Gale Brewer, then-City Council Speaker Melissa Mark Viverito, Manhattan Community Board 11, and Community Voices Heard, led a community engagement process to recommend community priorities for the rezoning plan. This process culminated in the release of the East Harlem Neighborhood Plan in 2016, which covered 12 priorities, including increasing the production of affordable housing. The plan recommended that all public sites in the rezoned area be 100% affordable, with at least 20% of the affordable units affordable to individuals and households at or below 30% of the Area Median Income (AMI). The plan also recommended

creating more supportive housing and requiring a community preference in all affordable housing developments<sup>1</sup>.

The East Harlem Rezoning was enacted in 2017, drawing from the framework established by the East Harlem Neighborhood Plan. The NYPD 25th Precinct parking lot, which is the proposed location for Timbale Terrace, was included in the East Harlem Rezoning Points of Agreement as a public site to be prioritized for affordable housing development. Since that rezoning action, 1,800 affordable units have been completed or are in development on public land elsewhere within the rezoning area<sup>2</sup>.

## **Supportive Housing**

The 340 affordable units in Timbale Terrace would include 99 units of supportive housing. This section aims to provide clarity on supportive housing in the context of this project.

Supportive housing is permanent, affordable housing with on-site services for individuals or families who have experienced homelessness, with other qualifying criteria. The population served by each supportive housing project depends on the mission of the service-providing organization. The screening process for supportive housing is typically done through referrals from a case worker and includes psychosocial and psychological assessments (if needed), and interviews<sup>3</sup>. Potential residents are not selected for an apartment unless they meet all the qualifying criteria and it is determined by the housing provider that the units and on-site services are able to meet their needs.

Timbale Terrace is receiving funding from the NYC 15/15 and Extremely Low & Low-Income Affordability ("ELLA") programs. All developments that receive funding from the City must set aside at least 15% of their units for homeless individuals and households<sup>4</sup>. This requirement applies to ELLA, which is an HPD funding source. However, that set-aside requirement does not include on-site services. The Timbale Terrace proposal includes a 30% supportive housing component and will include on-site services, through funding from the NYC 15/15 program.

Since 2014, HPD has financed 237,700 units of affordable housing, 5% of which were supportive housing units. In Manhattan, HPD has financed over 57,100 affordable units since 2014, of which 4% were supportive. In Community District 11, HPD has financed over 12,700 affordable units, 1% of which are supportive. While there may be other publicly funded supportive housing units in the area, those figures are not available.

## **Proposed Development**

If the proposed actions are approved, Timbale Terrace at 101 East 118th Street would include a 19-story, 239,000 square-foot building with approximately 241 affordable housing units, 99

<sup>&</sup>lt;sup>1</sup> <u>https://www.documentcloud.org/documents/3179091-East-Harlem-Neighborhood-Plan.html</u>

<sup>&</sup>lt;sup>2</sup> <u>NYC Rezoning Commitments Tracker (arcgis.com)</u>

<sup>&</sup>lt;sup>3</sup> <u>2023-consolidated-supportive-housing-guidance.pdf (nyc.gov)</u>

<sup>&</sup>lt;sup>4</sup> https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3713966&GUID=2A26D80A-5759-445D-A16B-B0F370CA0D32&Options=&Search=

supportive housing units, one superintendent's unit, a ground-floor community facility space for the Afro Latin Jazz Alliance, and 75 replacement parking spaces for the NYPD. The developer for Timbale Terrace is Mega Contracting, and the Lantern Organization is the supportive housing provider.

	Supportive	30% AMI	50% AMI	80% AMI	Total Units	% By Unit Type
Studio	97 units	0 units	0 units	0 units	97 units	29%
One- Bedroom	0 units	68 units	35 units	38 units	141 units	41%
Two- Bedroom	2 units	16 units	28 units	38 units	84 units	25%
Three- Bedroom	0 units	4 units	7 units	7 units	18 units	5%
Total Units	99 units	88 units	70 units	83 units	340 units	100%
% By AMI	29%	26%	20%	25%	100%	

Of the 241 affordable units, 50% will have a preference for Community District 11 residents. While the supportive units cannot be formally set aside to address local need, Lantern representatives stated during their presentation to Community Board 11 that they have established relationships with area shelters and have committed to letting them know when they begin leasing their units so that case workers can potentially refer clients from the local shelters to the Timbale units.

According to Lantern representatives, the supportive units would be available for residents with severe mental illness or substance use disorder through the NYC 15/15 program. The services provided would help maintain housing stability, connect tenants with healthcare services, and advance skills and education. Other proposed programming includes cooking classes, guidance on healthy living, free fresh food, art classes, gardening, exercise classes, and trips to sporting and cultural events. Services for supportive housing residents would not include drug rehabilitation, treatment, or drug injection sites.

Timbale Terrace will have 24/7 onsite security. While the final plan for additional building security elements is still under development, the Applicant is looking into options that include interior and exterior security patrols, 24/7 remote monitoring from a command center, and access control technology.

The services for the residents of the supportive housing units would be located in community facility spaces on the sixteenth floor. There are proposed outdoor terraces open to all residents on the third, eighth, and sixteenth floors, a green roof on the seventh floor, a bike storage room in the basement, a laundry room on the third floor, and fitness rooms on the sixteenth floor. The ground-floor community facility space for the Afro Latin Jazz Alliance would be home to the Afro Latin Jazz Alliance Music & Arts Center ("ALJA"). ALJA's space would include a recital hall, event and performance spaces, rehearsal spaces, music education facilities, meeting rooms, co-working spaces, communal spaces, a café, and a shop, along with spaces for local artists. The

organization plans to have music and dance programming for children, schools, older adults, and senior centers.

Mega Contracting has committed to MWBE and local hiring, with priority for Manhattan CB 11 residents. They also committed to collaborate with CB 11 and community-based organizations to host Occupational Safety and Health Administration (OSHA) training and recruitment sessions.

## Area Context

The Site is located in Manhattan Community District 11 in the East Harlem neighborhood. The Site is zoned R10 with a C2-5 overlay along Park Avenue and R7B in the mid-block. The surrounding area is zoned R7B, R7-2, R8A, and R10, with commercial overlays on 116<sup>th</sup> Street and along the avenues. The Site is in the Special East Harlem Corridors District established by the East Harlem Rezoning.

The Site is well served by transit, including the 4, 5, 6 Subway line, the M101, M103, M1, M98, M102, and M116 buses, a Citibike dock on 118<sup>th</sup> Street and Park Avenue, and the Harlem-125<sup>th</sup> Street Metro North station on 125<sup>th</sup> Street and Park Avenue.

The Lantern Organization has two existing buildings with supportive housing units close to the Site – one on the adjacent lot and the other across 118<sup>th</sup> Street. Schafer Hall, the adjacent building, contains 36 units for formerly homeless single adults living with special needs, 25 units for young adults who have aged out of foster care, and 30 units for low-income families<sup>5</sup>. Prospero Hall, across the street, has 87 units for homeless veterans and low-income single adults<sup>6</sup>. Due to community concerns about these buildings, Lantern began monthly meetings with local stakeholders in April 2023 to discuss safety. As a result of these discussions, Lantern has also installed brighter exterior lighting, upgraded building security cameras, and secured funding for more tenant services.

According to the project's Racial Equity Report, in 2017-2021 an estimated 54% of East Harlem households were rent burdened (30% of income spent on rent), and an estimated 28% of households were severely rent burdened (spending 50% or more of their income on rent). The area's displacement risk is "Intermediate" or "Higher" compared to other NYC neighborhoods.

# **COMMUNITY BOARD RESOLUTION**

HPD, Mega Contracting, the Lantern Organization, and the Afro Latin Jazz Alliance presented to the Land Use, Landmarks & Planning Committee of Manhattan Community Board 11 ("CB 11") on September 13, 2023. Subsequently, the full board of CB 11 conducted a public hearing on September 26, 2023. During these hearings, community members expressed their support for the project, viewing it as a viable solution to homelessness and a suitable location for 100% affordable housing. Additionally, they highlighted the value of the Afro Latin Jazz Alliance's programming, particularly for youth. Members of the community also expressed concerns about quality-of-life issues in the neighborhood, suggesting that the project's supportive housing

<sup>&</sup>lt;sup>5</sup> https://lanterncommunity.org/about-us/buildings/schafer-hall/

<sup>&</sup>lt;sup>6</sup> https://lanterncommunity.org/about-us/buildings/prospero-hall/

component could negatively affect these issues. On October 11, 2023, the CB 11 Land Use, Landmarks & Planning Committee voted unanimously to recommend approval of the proposal with conditions.

On October 24, 2023, the full board of CB 11 voted to recommended approval of the Timbale Terrace project with the following conditions:

- 1. Commit to outreach to local community service organizations serving the formerly homeless and other low-income residents of Community District 11 ("CD 11") to ensure local residents are aware of the project's units when they become available;
- 2. Along with HPD and Human Resources Administration, commit to prioritizing applicants displaced from CD 11 for the units dedicated to formerly homeless households, particularly single adults with children, seniors, survivors of domestic violence, and single young adults aging out of foster care;
- 3. Commit to CB 11's local hiring preference guidelines, with local hiring targets of 35% for pre-construction jobs, 35% for construction jobs, 50% for post-construction hiring, and 35% of the total value of all contracts being awarded to businesses located in CD 11;
- 4. Commit to establishing partnerships with local workforce development organizations to source qualified residents of CD 11 for employment opportunities at all phases of development; and
- 5. Establish a Community Advisory Board for Timbale Terrace to be facilitated in collaboration with CB 11 and tasked with working with stakeholders including local businesses, community-based organizations, the NYPD, and other city agencies to assist in improving quality of life on the street.

# **BOROUGH PRESIDENT'S COMMENTS**

In the midst of the worst affordability crisis in New York City history, a lot is sitting vacant at East 118th Street and Park Avenue. The site is currently being used for parking by the local precinct.

East Harlem deserves better than this.

Fully one half of families in East Harlem are rent burdened. Countless local residents are living doubled up or are barely fending off eviction. Too many are living unsheltered on the street.

When East Harlemites try to rent market-rate apartments, they face the highest rents in our city's history – averaging a stunning \$5,500 per month in Manhattan. In the face of such rents even working-class families are now being pushed out of our borough. Some, tragically, are joining the ranks of the more than 66,000 New Yorkers in our shelter system.

There is no getting around it: We have a desperate shortage of affordable housing in East Harlem, in Manhattan, and in New York City. Supportive housing is in even shorter supply. Only about 1 in 5 single adults determined to be eligible for a supportive unit were successfully placed last year. Many of the rest remain in shelters or on the street. We have a chance to address this crisis on East 118<sup>th</sup> Street and Park Avenue. The Timbale Terrace development would deliver 241 affordable units for families in need, with 26% of the apartments reserved for extremely low-income households earning 30% AMI, and the rest at 50% and 80% AMIs. 103 of the apartments are currently set to be two- and three-bedrooms.

The project would also include 99 units of much-needed supportive housing, with a full menu of services in the building to ensure residents have the resources they need to lead healthy, stable lives.

What once was a vacant lot would also gain a vibrant cultural institution: a new theater and performing arts center for the beloved Afro Latin Jazz Alliance, drawing thousands of patrons to the block each year. The block would also benefit from 24/7 security in the building.

The community engagement process on this project has been robust and at times contentious. I firmly believe that the input from the East Harlem community has made this project better in important ways. I recognize that outstanding concerns remain surrounding the overall impact of Timbale Terrace on public safety in the neighborhood. For that reason I have listed several conditions in our recommendation that would improve security and guarantee long-term community engagement.

On balance this project would be a major win for East Harlem: creating a welcoming new home for hundreds of families and adults in need, with a wonderful new cultural institution to boot. Let's not let this lot sit vacant for another few decades.

# BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, I recommend **approval** of ULURP Application Nos. C240046HAM and C240047PQM **with the following conditions**:

- 1. That the Applicants work to develop a bedroom mix that better balances the needs of single-person and family-sized households;
- 2. That the Applicants form a Community Advisory Board in collaboration with CB 11 to address community concerns regarding the development and work with local stakeholders to improve quality of life in the area;
- 3. That in addition to 24/7 security in the building, the Applicants explore and implement additional security elements within and outside the proposed building, taking into account guidance from the aforementioned Community Advisory Board;
- 4. That throughout the development process the Applicants continue their communication with local service organizations in CD 11, including area shelters, to ensure local awareness of housing units from the project;
- 5. That the Applicants prioritize applicants previously displaced from CD11 for units they are eligible for when possible;
- 6. That hiring for the project adheres to CB 11's local hiring targets, including hiring CD 11 residents for 35% of pre-construction jobs, 35% of construction jobs, 50% of post-

construction jobs, and 35% of the total value of all contracts being awarded to local CD 11 businesses; and

7. That the Applicants work with local workforce development organizations to find qualified CD 11 residents for all available employment opportunities.

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Mark Levine Manhattan Borough President