

**CAPZ WORKING TEAM MEETING REPORT– October 20, 2014 – CB#1-49-51 Chambers Street – Suite 715**

**Present:**

**Voting CWG Members:**

Michael Levine	CB#1
Victor Papa	Two Bridges Neighborhood Council
Wilson Soo	Chinatown Working Group
Rob Hollander	Member
Anj Chaudhry	CAAAV
Mitchell Gruber	BAN
Josephine Lee	CSWA
David Tieu	NMASS
MyPhuong Chung	CB#3
Katrina Cortes	GOLES
Gigi Li	CB#3
Douglas Woodward	Chinatown Business & Property Owners Group

**Non-CWG Present** (See Attachment #1 - Attendance Sheet)

**Messrs. Levine and Papa presided as CAPZ WORKING TEAM Co-chair**

The meeting convened to discuss Subdistricts D, E1 and E2.

Before discussing those subdistricts, Gigi Li explained the process of discussing resolutions by the CWG viz a viz the community board. Some mention was also made on the CWG's intention to begin discussions with city agencies. It was explained that that matter would be taken up with the CWG Coordinating Committee.

Discussion then centered on subdistricts D, E1 and E2, and in as much as the group wished to resolve option choices within these subdistricts, certain basic questions arose within each subdistrict which the group felt required more information before any action could be taken. Accordingly, short of having Eva Hanhardt attend the next meeting because of schedule conflicts, it was decided to email her the questions and hopefully have answers for the next CAPZ meeting which was scheduled for **Monday, October 27 at 5 PM at CB#1.**

The following are those questions and Wilson Soo agreed to send them to Ms. Handhardt as soon as possible:

**Subdistrict D:**

1. Why was the height cap set at 350ft? What context was used as the basis?
2. In the document you shared with me, you used the terms "guaranteed" x% of affordable housing and on subsequent pages you used "up to" x%. Could you clarify?
3. How did you arrive at the number of affordable units in your examples totaling 1455 units given the required sq. ft/du and the 350 height cap?
4. Has or can Pratt analyze the speculation of the added market rate on property values?
5. Has or can Pratt analyze what financing mechanisms that can be used?

**Subdistrict E:**

1. What was the rationale for the FAR R-4.6 in Subdistrict E2? What was the rationale for the different FAR in E1 and E2?

## Answers to CAPZ regarding Subdistricts D and E

### **Subdistrict D:**

#### **1. Why was the height cap set at 350ft? What context was used as the basis?**

*The context was determined by looking at the heights of existing buildings in Subdistrict D. Although there are also nearby buildings under 20 stories, (most of them in Subdistrict B), the majority of the buildings in Subdistrict D vary between 20-27 stories.*

*Clearly 350ft is higher than those buildings. However, in order to retain the maximum amount of open space and permeable surface (60% of the site) and provide a significant number of affordable housing units, 350 ft was the lowest height that could accommodate the existing (and proposed) FAR (with a potential additional 0.5 FAR for Culture either on site or as a contribution to a cultural resources fund and an additional 0.5 FAR for Transfer of Development).*

*While the proposal would potentially raise the existing base 10 FAR up to a total 12 FAR – incorporating a requirement of 50% guaranteed affordable units and potential bonuses of 0.5 FAR for Culture and 0.5 FAR for limited transfer of development rights from Subdistrict A and from Buildings of Significance - that would be the same 12 FAR that is currently permitted "as of right" if development provides only 20% affordable units (this is what Extell is currently doing). In addition, given concerns about maintaining open space and permeable surfaces to deal with flooding and storm surge impacts on NYCHA properties such as Smith Houses, it was felt that greater site coverage (which could have lowered the height), could undercut the NYCHA open space preservation argument.*

*Finally, the RFP asked that we identify locations that could provide new affordable housing. This area had few "soft sites" but as they were/are very large, their development was an opportunity to provide a significant number of new guaranteed permanently affordable housing ( at the lowest 2 bands of AMI)*

#### **2. In the document you shared with me, you used the terms "guaranteed" x% of affordable housing and on subsequent pages you used "up to" x%. Could you clarify?**

*My apologies for the confusion. The language should read "guaranteed" NOT "up to" as that is the percentage on which the Calculations of potential affordable housing was done.*

#### **3. How did you arrive at the number of affordable units in your examples totaling 1455 units given the required sq. ft/du and the 350 height cap?**

*The calculation of 1455 units under Option 1 included only two example development sites – the former Pathmark site and the Edison Storage site. The calculations were done assuming:*

- 1) An FAR of 12*
- 2) A height limit of 350 Ft*
- 3) 40% site coverage.*
- 4) An average unit size of 650 ft.*
- 5) Mixed use buildings with 2 floors Commercial/Community facility and 33 stories Residential*
- 6) A requirement of **50%** affordable units on the Pathmark site which is already zoned C6-4 and a requirement of **55%** for the Edison site which is currently zoned M1-6 because the C6-4 Modified would permit residential development.*

#### **4. Has or can Pratt analyze the speculation of the added market rate on property values?**

*The Plan tries to address this issue/concern thru other recommendations in the plan. In particular, a tax abatement/exemption or tax cap for smaller landlords who preserve their low income tenants and affordable units. Also, a recommendation that CWG work with the Finance Dept. to assure that they use rent rolls rather than neighborhood luxury property values as the basis for calculating taxes for existing buildings with low income tenants (including those over 11 units) This is already supposed to be used for buildings with up to 11 units that file a Real Property Income and Expenses statement but, it seems, is sometimes not enforced.*

*Perhaps, working with the Furman Center we could do some more specific research. However, it is important to realize that under the current zoning, market rate development of both existing and new buildings can and is already happening with no requirement for affordable units. Both sales and rentals are already rising thus raising "property values"*

#### **5. Has or can Pratt analyze what financing mechanisms that can be used?**

*As with the previous question, Pratt could, possibly, do some modest additional research, speaking with others- Furman, ANHD, Citizens Housing and Planning, etc. for example. However, it would be important to understand what you mean by "financing mechanisms"*

*We did do a rough financial feasibility analysis in determining if our proposals would be viable based on comparable sq.ft. revenues and 421a tax abatement. While 421a is scheduled to expire, some form of tax or other financial subsidy tied to specific affordability provisions is likely to be developed if guaranteed permanently affordable housing is to be required. It is probable, however, that the current practice of "double dipping" (counting the provision of the same affordable 20% as meeting the requirements of both the Inclusionary Zoning and the 412a) will not be allowed.*

*The Affordability section of the Plan outlined several possible financing tools that were available. Federal, State, and City programs commonly used to create affordable rental housing. (percentage in parentheses indicates current affordability targets for each program):*

##### **Federal Programs:**

- *Section 202 Supportive Housing for the Elderly (below 60% AMI);*
- *Section 202 Preservation Program (below 60% AMI);*
- *Section 811 Supportive Housing for Persons with Disabilities (below 60% AMI);*
- *Low-Income Housing Tax Credits 4% and 9% (below 50% AMI);*
- *Project-Based Section 8 (below 80% AMI, 40% new admits must target 30% AMI) and*
- *HOME Program (rental: 60% AMI; ownership: 80% AMI).*

##### **New York State programs:**

- *Low-Income Housing Trust Fund (80% AMI);*
- *Homes for Working Families (60% AMI); and*
- *501 (c) (3) Bond Financing Program (no target required).*

##### **New York City programs:**

- *Inclusionary Housing (80% AMI);*
- *Chinatown-Lower East Side Acquisition Program (80% AMI);*
- *J-51 Tax Exemption (rent regulated);*
- *Low-Income Affordable Marketplace Program (LAMP), known as 100% Low-Income Tax Exempt prior to 2003 (below 60% AMI);*
- *Supportive Housing Loan Program (at or below 60% AMI);*
- *Participation Loan Program - New Construction (varies);*

- 8-A Loans - to finance improvements (at or below 120% AMI);
- NYC Acquisition Fund-Preservation Loans (less than 60% AMI);
- Participation Loan Program (at or below 80% AMI);
- 421-A Program (at or below 120% AMI for rentals and at or below 125% AMI for homeownership if government assistance used; at or below 60% AMI if not used.)

## **Subdistrict E:**

### **1. What was the rationale for the FAR R-4.6 in Subdistrict E2? What was the rationale for the different FAR in E1 and E2?**

*The residential FAR of 4.6 was based on a 33% Residential FAR increase over the existing permitted residential FAR of 3.44 (in a C6-1 district) (Option 2) (Option 2) Although the context in E2 is more commercial/community facility, the idea was to permit more residential development and add a requirement for 40% guaranteed affordable housing.*

*The proposed Residential FAR of 4.6 in E1 under Option 1 is the same as in E2. The difference in FAR between E1 and E2 is only if E1 selects Option 2 -the extension of the Little Italy zoning to the other side of the Bowery. As E2 is not adjacent to the Special Little Italy District, it was not possible to extend the Little Italy district there.*

Chinatown Working Group – CAPZ Working Team  
 October 20, 2014 – 5:00pm  
 Community Board 1 – 49 Chambers Street

NAME	TITLE	ORGANIZATION	PHONE NUMBER	E-MAIL
DOUGLAS WOODWARD		CHINATOWN BUSINESS & PROPERTY OWNERS GROUP	[REDACTED]	[REDACTED]
Amy Lu	intern	Lower Manhattan Cultural Council	[REDACTED]	[REDACTED]
David Tien		NMASS	[REDACTED]	[REDACTED]
Rachel Cohen	grad student	NYU-Wagner	[REDACTED]	[REDACTED]
Mitchell P. Gruber	chair landmarks committee	BAN	[REDACTED]	[REDACTED]
Josephine Leo		CSWA	[REDACTED]	[REDACTED]
April Xu	reporter	Sing Tao Daily	[REDACTED]	[REDACTED]
BORNA GHAFFARIAN	CHINATOWN RESIDENT		[REDACTED]	[REDACTED]
Trevor Holmes	Two Bridges Tower Resident → Resident		[REDACTED]	[REDACTED]
Wilson Soo		Two Bridges	[REDACTED]	[REDACTED]
VICTOR PAPA		TBWC	[REDACTED]	[REDACTED]
My Phuong Chung		CB3	[REDACTED]	[REDACTED]
Eggi Li	Chair	CB3	[REDACTED]	[REDACTED]



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NAME	TITLE	ORGANIZATION	PHONE NUMBER	E-MAIL
<i>Michelle E. Leung</i>				
<i>Rob Hollander</i>				