

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered

32-34 Putnam ANCP Cluster

February 11, 2019

(Cumbo, Cornegy) (20195365HAK) This pre-considered item consists of the proposed disposition of six (6) City-owned multiple dwellings and the approval of Article XI tax benefits for the buildings located at **32-34 Putnam Avenue**, (Block 1992, Lot 18), **55 Carlton Avenue**, (Block 2031, Lot 1), **550 Dekalb Avenue**, (Block 1778, Lot 14), **374 Prospect Place**, (Block 1160, Lot 30) and **1216 Pacific Street**, (Block 1206, Lot 20) in Brooklyn Council Districts 35 and 36.

Known as the **32-34 Putnam Avenue ANCP Cluster**, the six (6) buildings entered City ownership through In Rem Foreclosure Actions between 1979 through 1983, for non-payment of real property taxes, and all except for 1216 Pacific Street opted into the Tenant Interim Lease (TIL) program between 2000 and 2002. As a requirement of the TIL program, tenants form Tenant Associations to manage their building and collect rents under a net lease from the City of New York. Currently, the tenants in the partially occupied TIL buildings have met the threshold requirements and are ready to move forward with the next steps in cooperative conversion under HPD's Affordable Neighborhood Cooperative Program (ANCP).

As part of the ANCP program guidelines, City-owned multiple dwellings are conveyed to Restoring Communities HDHC for \$1.00 per tax lot and then rehabilitated by private developers, selected through a competitive process to

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered

32-34 Putnam ANCP Cluster

February 11, 2019

create affordable cooperatives for low- and moderate-income households. The developer, Bridge Street Development Corp (BSDC), will sign a Site Development and Management Agreement with Restoring Communities that will be in effect until co-op conversion occurs and title transfers from Restoring Communities HDFC to a tenant-formed HDFC cooperative. From the time of the cooperative conversion, the developer will remain the property manager for at least one year. After the first year, the co-op will have the choice of keeping the developer as property manager or hire a new company (approved by HPD).

The 32-34 Putnam Avenue cluster has a total of 56 residential units, of which thirty two (32) are occupied and twenty four (24) are vacant. The cluster also contains four (4) vacant commercial spaces: two (2) at 550 Dekalb Avenue and two (2) at 55 Carlton. The household incomes for the existing tenants range from 11% to 119% AMI, and the co-op interests attributable to occupied apartments will be sold to the existing tenants for \$2,500. Additionally, the maintenance is anticipated to be approximately 42% AMI for existing tenants, which is roughly \$846 for a one-bedroom unit, \$1,026 for a two bedroom unit, and \$1,179 for a three bedroom unit. The cooperative interests attributable to vacant apartments will be sold for a price affordable to families earning no more than 110% of the area median income.

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered

32-34 Putnam ANCP Cluster

February 11, 2019

1216 Pacific Street, which is a vacant building that has been sealed since 2001, is in HPD's Division of Property Management and Client Services (PMCS). This division manages and maintains City-owned properties until they can be transferred to responsible private ownership. 1216 Pacific Street will become a rent-stabilized property with five (5) units under the ownership of the developer. Initial rents will be set at 100% AMI (roughly \$1,899 for a one-bedroom unit).

Each building will undergo substantial rehabilitation, which will include layout changes in order to conform to DOB Building Codes and handicap accessibility. The scope of work includes replacement of structural joists, work to the envelope of the building, as well as work to the electrical, plumbing and heating systems. Interior work will also include new bathrooms and kitchen fixtures, entry doors, new flooring, and upgrades to the public hallways.

During the construction, the existing tenants will be temporarily relocated to units provided by the sponsor in nearby neighborhoods. Post rehabilitation, the mixture of unit types will be: 21 one-bedroom, 33 two-bedroom and 2 three-bedroom apartments. Fifty-one (51) will be cooperative units, while the five units at 1216 Pacific Street will be rental units. The total development cost is estimated to be \$24,566,731, which is subject to change.

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered

32-34 Putnam ANCP Cluster

February 11, 2019

In addition to seeking disposition approval, HPD also requests a 40-year Article XI tax exemption in order to help the HDFCs maintain affordability. The term of the tax exemption will be coterminous with the Regulatory Agreement and the total tax benefit is approximately \$10,721,516 with a net present value of \$2,995,283.

BRIDGE STREET DEVELOPMENT CORPORATION

Bridge Street Development Corporation (BSDC) was founded in 1995 by members of the oldest continuing African-American congregation in Brooklyn: the Bridge Street African Wesleyan Methodist Episcopal Church. BSDC serves the Central Brooklyn community, primarily Bedford-Stuyvesant, which has a long history and a rich architectural and cultural heritage. BSDC is a 501(c) (3) not-for-profit organization, the mission of which is to build partnerships with businesses, government, and other community stakeholders to provide civic and economic opportunities to the residents of Central Brooklyn with a focus on low to moderate-income households. BSDC provides services in four Program Areas: Affordable Housing Development, Homeownership Services, Senior Services, and Community Engagement Programs (i.e., Youth Development, Tenant Advocacy & Community Organizing, and Economic Development).

2018 Program Highlights:

- Provided Counseling to 101 homeowners facing foreclosure
- Helped 20 homeowners avoid foreclosure
- Educated 233 residents through our first time Home buying workshops
- Hosted the Fresh Start Home Resource Expo with over 400 hundred attendees
- Outreached to over 10,000 residents through mailings, community events, flyers and door knocking
- Co-hosted a tenant and landlord resource fair with over 100 attendees
- Hosted the 10th annual Flower Bed Stuy with over 30 block and tenant associations participating
- Hosted multiple special events with over 5,000 attendees to promote local business
- Ten local business owners completed our Small Business Boot Camp
- Hosted the first Bedford Stuyvesant Banking Reinvestment forum
- Thirty-nine youth between the ages of 16-24 completed the NDA: Opportunity Youth Internship Program
- Provided services to 189 seniors through the NDA: Senior Services Program

Affordable Housing Development Overview:

BSDC has sponsored or developed nine affordable rental housing projects with over 400 units to date, as well as about 200 units of homeownership housing totaling over 600 residential units. An example of one of the nine projects completed is Quincy Senior Residences, a 94-unit new construction project financed by NYS Division of Homes and Community Renewal (HTF and LITC), CPC and HPD with a TDC of \$14,698,265. The project provides permanent housing for low-income seniors.

BSDC has two projects under construction, including Kings Covenant a 74-unit rehabilitation project consisting of nine buildings in three neighborhoods (Bedford Stuyvesant, Crown Heights and Park Slope). The project is currently at 90% construction completion.

BSDC also has an active pipeline. As part of the ANCP program the organization will be developing five buildings (all substantial renovations) and slated for construction closing during the first quarter of 2019. In December 2018 BSDC submitted a LITC application to NYS Division of Homes and Community Renewal to develop a 62-unit new construction project. The proposed project would create permanent housing for a mix of low-income seniors and seniors with special needs.

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered

EAST VILLAGE HOMES – AMENDMENT
AND ARTICLE XI

FEBRUARY 11, 2019

{**Rivera**} **The pre-considered items** are related to a project known as East Village Home which consists of two non-contiguous vacant city-owned lots originally approved for disposition in 2006 and 2010 for development as two separate projects. No. 20195394HAM is related to the disposition of **302 East 2nd Street** (Block, 372, Lot 49) and **276 East 3rd Street** (Block 372, Lot 11) in Manhattan Council district 2, while No. 20195392HAM and No. 20195393HAM are in reference to Article XI tax exemption requests for the project which is slated for redevelopment under HPD's New Construction Program (NCP).

In 2014 HPD added the sites to the NIHOP/NCP Request for Qualification and the development team was selected in 2017 to develop the site. Under the NCP guidelines, City-owned properties are conveyed to sponsors in order to create affordable rental housing on infill sites. Construction and permanent financing is provided through loans from private institutional lenders and from public sources including HPD, the New York City Housing Development Corporation, the State of New York, and the federal government. Additional funding may also be provided from the syndication of low-income housing tax credits. The newly

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered

EAST VILLAGE HOMES – AMENDMENT
AND ARTICLE XI

FEBRUARY 11, 2019

constructed buildings provide rental housing to low income, moderate income, and middle income families.

276 East 3rd Street was originally approved by the Council in 2006 to be developed as an eight bed facility by New York State Office of Mental Health.

302 East 2nd Street was approved by the Council in 2010 to be developed as part of an assemblage, which included a total of 166 units, of which 34 units (or roughly 20%) would be affordable to families with incomes up to 40% and 50% of the area median income. However, due to project financing issues neither project moved forward and therefore the sites remain city-owned. Given the 302 East 2nd Street and 276 East 3rd Street were previously approved for separate projects, HPD is seeking an amendment to the prior approvals in order to develop the two sites for new construction through NCP.

The construction will be completed in two phases and under the proposed project, the City will sell 302 East 2nd Street (Block 372, Lot 49) to East Village Homes Housing Development Fund Company, Inc. and 276 East 3rd Street (Block 372, Lot 11) to Loisaída Homes Housing Development Fund Company, Inc. for \$1.00 each.

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered

EAST VILLAGE HOMES – AMENDMENT
AND ARTICLE XI

FEBRUARY 11, 2019

The proposed project comprises 44 units at 302 East 2nd Street and 10 units at 276 East 3rd Street, for a total of approximately 53 rental dwelling units, plus one unit for a superintendent. Additionally, the project will include approximately 1799 square feet of commercial space at 276 East 3rd Street and approximately 714 square feet of community facility space at 302 East 2nd Street, which is tentatively programmed as social services for the surrounding community. The total development cost is estimated to be \$29 million.

Across the two buildings, there will be a mixture of unit types including: 23 Studios, 17 One-Bedroom and 13 Two-Bedroom apartments. 10% of the project's units will be set aside for formerly homeless households; other units will have rents that are affordable to families earning between 27% and 130% of the Area Median Income, so as to serve a wide range of households in the neighborhood. .

Both buildings will be accessible, with two elevators in 302 2nd Avenue, and 1 elevator in 276 3rd Avenue.

As mentioned, pre-considered items No. 20195392HAM and No. 20195393HAM seek Article XI tax benefits for both phases that will coincide with the Regulatory Agreement for a term of 40 years. The cumulative value of the tax benefits total

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Pre-Considered

EAST VILLAGE HOMES – AMENDMENT
AND ARTICLE XI

FEBRUARY 11, 2019

approximately \$9,807,402 with a net present value of \$2,603,325 for 302 East 2nd Street; the cumulative value of the tax benefits total approximately \$2,629,197 with a net present value of \$710,163 for 276 East 3rd Street.

In order to facilitate continued affordability of the East Village Homes project, HPD is before the Subcommittee seeking approval of the three pre-considered items, No. 20195394HAM , No. 20195392HAM and No. 20195393HAM.

East Village Homes
City Council Hearing
Presentation February 11,
2019



East Village
Homes

302 East 2nd Street + 276 East 3rd
Street

DEVELOPMENT
TEAM

PROJECT
OVERVIEW

THE
BUILDINGS

TIMELINE



ASIAN AMERICANS FOR EQUALITY



Leroy Street
Studio

East Village
Homes

302 East 2nd Street + 276 East 3rd
Street



- Affordable Housing - All Units Income Restricted
- All vacant units are marketed through NYC Housing Connect
- Community Facility Space (2nd St Building)
 - Local social services provider
- Retail Space (3rd St Building)

DEVELOPMENT
TEAM

PROJECT
OVERVIEW

THE
BUILDINGS

TIMELINE



276 East 3rd Street - Existing
Lot



302 East 2nd Street - Existing
Lot

- Completed Site Investigations
- Unique Challenges of the Sites
- Construction Document Development Phase

302 East 2nd Street

- Zoning Lot/District: 49 / R8A
- Lot Dimensions: 50' x 106'
- Building Height: 145'
- 14 Stories
- 44 Units
 - 13 Studios
 - 18 1-Bedrooms
 - 13 2-Bedrooms
- All Units Affordable and subject to rent stabilization
- From 27% of AMI to 130% of AMI
- 10 units – Voluntary Inclusionary
 - Permanently affordable
- Five Homeless Units
- Community Facility on Ground Floor



DEVELOPMENT
TEAM

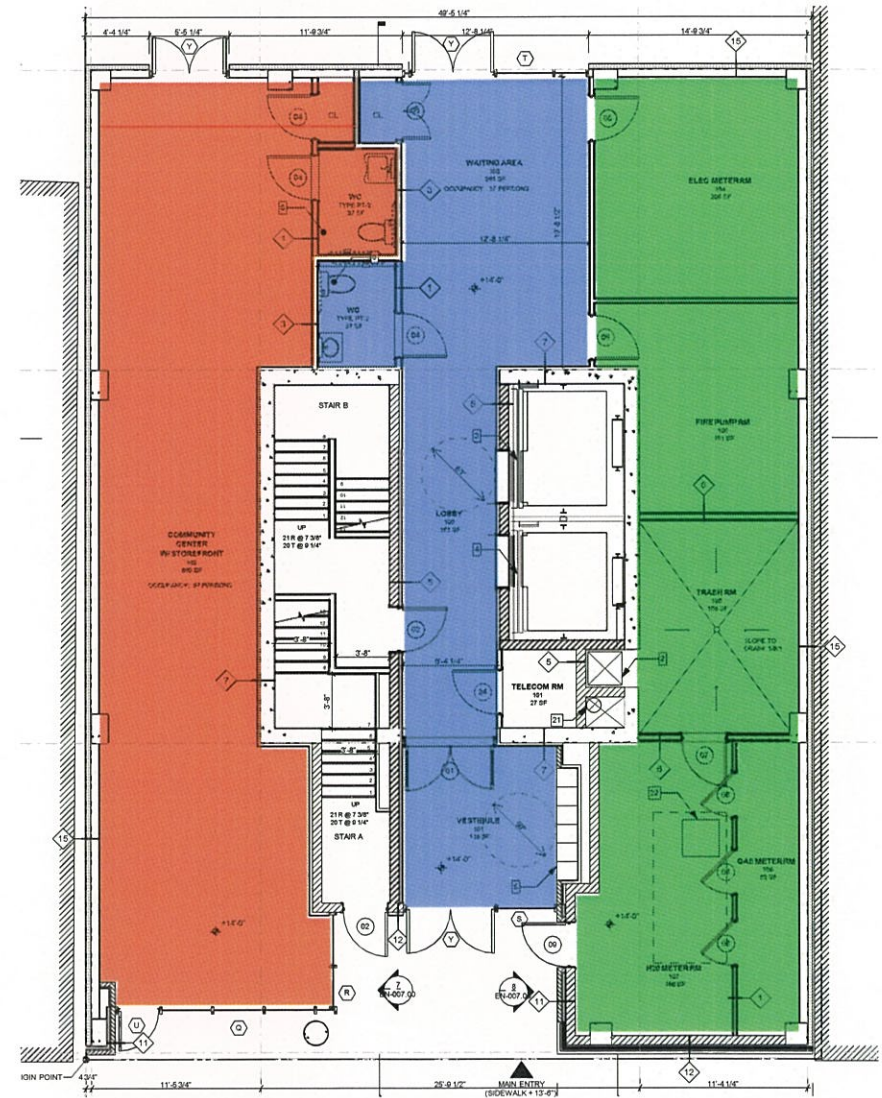
PROJECT
OVERVIEW

THE
BUILDINGS

TIMELINE

302 East 2nd Street

- Community Facility
- Residential Lobby
- Mechanical Space



GROUND FLOOR
PLAN

East Village
Homes

302 East 2nd Street + 276 East 3rd
Street

DEVELOPMENT
TEAM

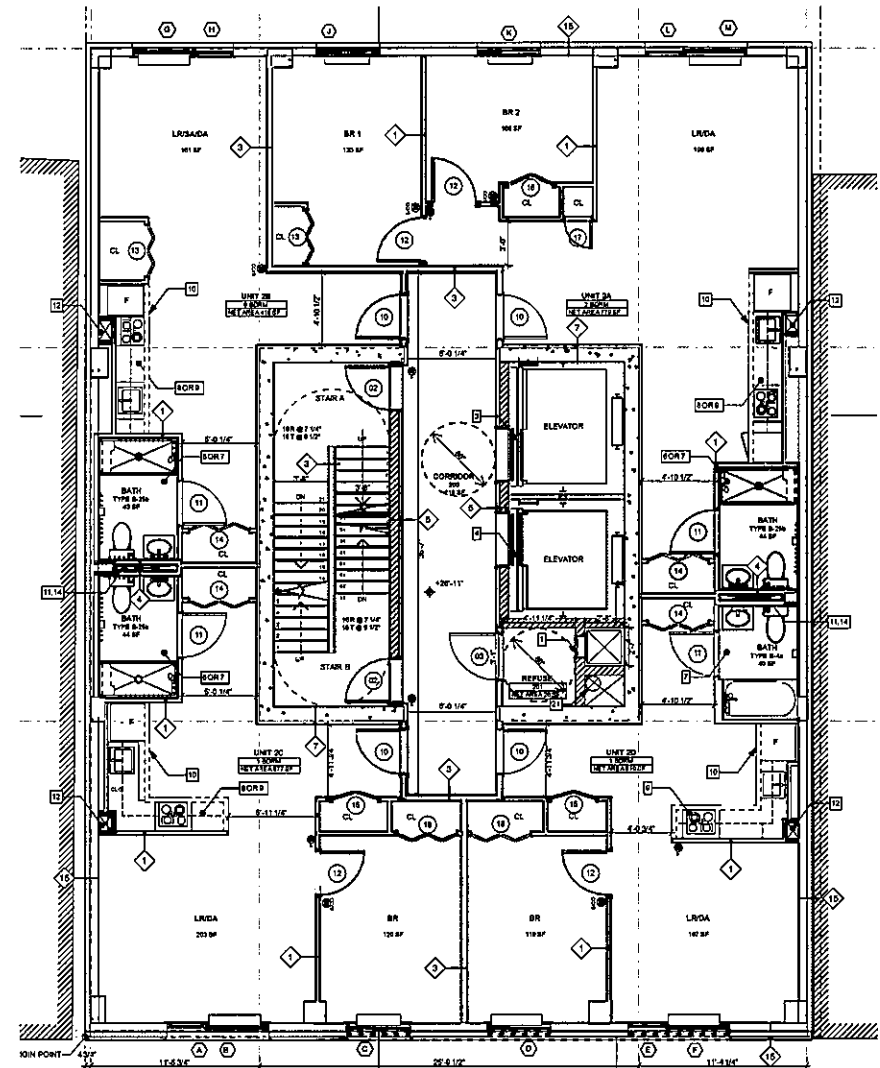
PROJECT
OVERVIEW

THE
BUILDINGS

TIMELINE

302 East 2nd Street

- 14 Stories
- 44 Units
 - 13 Studios
 - 18 1-Bedrooms
 - 13 2-Bedrooms



TYPICAL FLOOR
PLAN

East Village
Homes

302 East 2nd Street + 276 East 3rd
Street

276 East 3rd Street

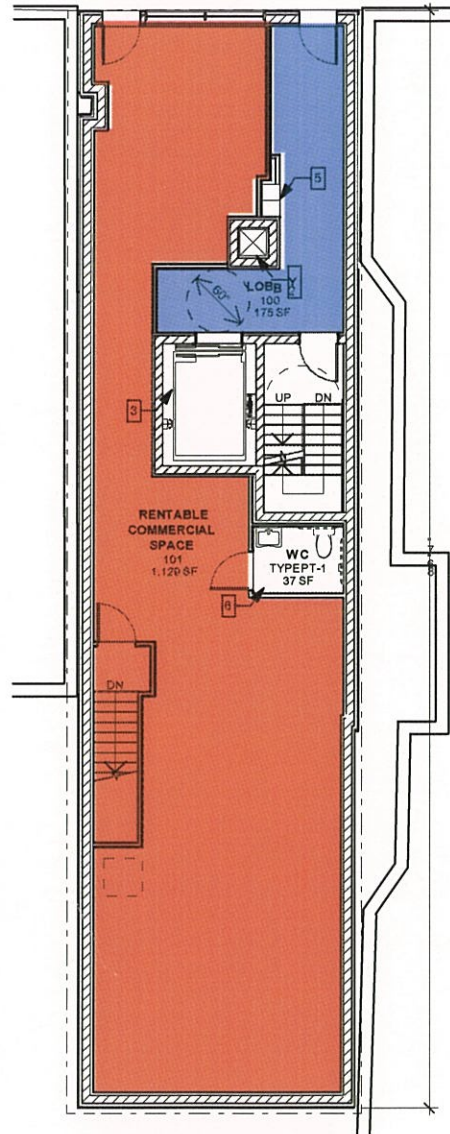
- Zoning Lot/District: 11 / R7A, C2-5
- Lot Dimensions: 23.25' x 87'
- Building Height: 62.25'
- 6 Stories
- 10 Units - All Studios
- All Units Affordable
- Commercial Space on Ground Floor



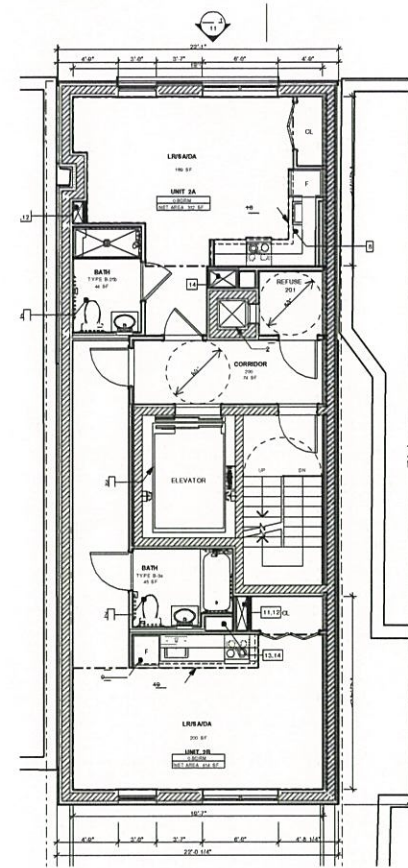
276 East 3rd Street

- Commercial Space
- Residential Lobby

- 6 Stories
- 10 Units - All Studios



GROUND FLOOR PLAN



TYPICAL FLOOR PLAN

DEVELOPMENT
TEAM

PROJECT
OVERVIEW

THE
BUILDINGS

TIMELINE

NEXT STEPS

- City Council Approval Approximately Q1 2019
- Construction Finance Closing Anticipated June 2019

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U. 330

67-69 St. Nicholas Avenue

February 11, 2019

(Perkins) L. U. No. 330 consists of an exemption area containing one (1) privately owned building located **67-69 St. Nicholas Avenue** (Block 1823 Lot 56) in Manhattan Council District 9.

67-69 St. Nicholas Avenue was taken into city ownership in May 1, 1993 and subsequently entered into the Tenant Interim Lease (TIL) program. On June 19, 1997, HPD conveyed the property to the existing tenants as a low income cooperative with household AMIs capped at 120% in accordance with the TIL program guidelines. The building contains 2 occupied commercial units and 26 residential units of which four (4) are vacant and the remaining Twenty-two (22) are occupied. The unit mix comprises Twenty (20) 3-bedroom and six (6) 4-bedroom apartments. The AMIs for the existing shareholders ranges from up to 30% of AMI to above 165% AMI and maintenance charges are \$515 for the studio, \$782 for a 3-bedroom unit and \$924 for a 4-bedroom unit. Under the new Regulatory Agreement, new buyers will be subject to

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U. 330

67-69 St. Nicholas Avenue

February 11, 2019

120% AMI income requirements. The rental units will go for \$1,870 (3-br) and \$2,210 (4-br).

The building was a Third Party Transfer Program (TPT) candidate in Round X. However, given the shareholders were working with HPD and the HDFC Coalition to come up with a strategy to address their municipal arrears and develop a capital improvement plan to save their building, the council passed local legislation disapproving transfer to new ownership. Components of the plan included the election of a new Board of Directors by the HDFC in 2018 and the renewal of a 2012 defaulted payment agreement with the Department of Finance (DOF) for tax arrears dating to 2008. The HDFC also entered into a payment agreement with the Department of Environmental Protection (DEP) in order to address water and sewer charges. Additionally, the HDFC sold two units in order to bring in revenue and have made progress in addressing non-payment by tenants and other shareholders.

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U. 330

67-69 St. Nicholas Avenue

February 11, 2019

Rehabilitation of the property includes the regular maintenance of the elevator as well as its replacement within the next 3-5 years, the installation of a new Roof in the spring and the purchase of a new boiler in 2020. Currently, the cost of these upgrades totals approximately \$80,000.

In an effort to help maintain continued affordability and stability in the building, HPD is before the Planning Subcommittee seeking retroactive tax benefits that will replace the current partial Article XI tax exemption. The new Article XI tax exemption will be retroactive to 2008 and be in place for a total of 40 years. The current estimated cost of the tax benefit is \$5,029,380 with a net present value of \$2,324,035.

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

3881

I intend to appear and speak on Int. No. 2019 - Putnam Res. No. _____

in favor in opposition

Date: 2/11/2019

(PLEASE PRINT)

Name: Emilio Dorcley

Address: _____

I represent: Bridge Street

Address: _____

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

East Village
NCP

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Thomas Yu

Address: 2 Allen Street, 7th Fl, NY, NY 10002

I represent: Asian Americans For Equality

Address: _____

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

Manhattan
CB-3

I intend to appear and speak on Int. No. _____ Res. No. 2019

in favor in opposition

Date: 2/19/2019

(PLEASE PRINT)

Name: KETH WEBER

Address: 65 Allen Street, NY, NY 10002

I represent: Low Front Stair

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 329

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Enke Benon

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 330

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Nina Psonca

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 50330

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Genevieve Michel

Address: _____

I represent: HPD

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. 329
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Kevin Parry

Address: _____

I represent: HPD

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. 0329
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: CRANEWER Michael

Address: _____

I represent: HPD

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. Putnam Res. No. 2019

in favor in opposition

Date: 2/1/2019

Name: Christine R O'Connell (PLEASE PRINT)

Address: _____

I represent: HPD

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 2019 - Putnam Res. No. _____

in favor in opposition

Date: _____

Name: Lacey Tawber (PLEASE PRINT)

Address: _____

I represent: HPD

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆