

# THE ASSEMBLY STATE OF NEW YORK ALBANY

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Subcommittee on Mitchell-Lama

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### TESTIMONY OF ASSEMBLYMEMBER LINDA B. ROSENTHAL BEFORE THE NEW YORK CITY COUNCIL SUBCOMMITTEE ON ZONING AND FRANCHISES HEARING ON DURST PYRAMID

January 17, 2013

Good morning. I am Assemblymember Linda B. Rosenthal, and I represent the 67th Assembly District, which includes the Upper West Side and parts of Clinton/Hell's Kitchen in Manhattan. I am testifying today in regard to three applications by Durst Development LLC to the New York City Council as part of a Uniform Land Use Review Procedure—two applications (LU 0749-2013 and LU 0750-2013) for a mixed-use development and another (LU 0751-2013) for an enclosed, attended accessory parking garage with 385 spaces of accessory parking in the same development.

Durst has entered into this venture with the clear intention of creating not only a stunning architectural design, but also a welcome and innovative approach to energy efficiency and conservation. From hybrid heating pumps to glass treated to prevent bird fatalities, the developer has spared no expense in ensuring that this building will be a landmark of the Clinton community and will have the least possible impact on the environment. Durst's design should be a model for other developers throughout the City.

It is unfortunate, therefore, that I cannot support Durst's current proposal because it does not include permanent affordability for the 20 percent of units which will be allocated for low- and moderate-income families under the 80/20 and 421-a programs. In addition, the proposal seeks to exceed the amount of parking allowed under Manhattan Core Parking requirements.

In reference to the housing portion, Durst contends that it has no control over the permanence of the affordability because it has a 99-year lease on the land, rather than owning the lot outright. However, Durst can and should commit to preserving the units' affordability for the duration of the lease, either on its own or by renegotiating the lease to adjust revenue payments on the land for extending the affordability. In addition, Durst has refused to come to the table and consider any affordability beyond what is required under the 80/20 and 421-a programs. To facilitate a cooperative negotiation process, I wrote to one of the primary owners of the site requesting they reach out to Durst to renegotiate the lease and am awaiting a response.

Regarding parking, Manhattan Core Parking regulations allow for a maximum of 200 parking spaces in a residential or mixed use development, provided that the number of spaces does not exceed 20% of the number of units in the building and one space per 4,000 square feet of commercial space. Durst's current proposal, however, includes 385 spaces. It is surprising that a developer such as Durst, which has worked so hard to minimize the impact of its development on the environment in many other ways, intends to leave an overly large footprint on the already monumental congestion problems that exist within my district in Community Board 4.

Durst has shown its commitment to investing in good jobs and responsible, eco-friendly development—at the expense of some of its profits—but Clinton is crying out for a similar investment in affordable housing. For every one unit of affordable housing created or already existing in this City, there are arguably dozens of families trying to get in. We all want this project to move forward, but Durst must demonstrate a longer-term commitment to affordable housing on this site by extending the affordability of its units beyond the bare minimum required to receive financial incentives from the City and State. In the long-term interests of the community as a whole, I urge the City Council to require that Durst include provisions guaranteeing affordability for the duration of Durst's lease and reduce the parking allotment to what is permitted under Manhattan Core Parking requirements as conditions for approval of this application. Thank you.



GARY Labarbera President AFFILIATED WITH THE BUILDING CONSTRUCTION TRADES DEPARTMENT OF WASHINGTON D.C.

BUILDING AND CONSTRUCTION TRADES COUNCIL OF NEW YORK STATE

AMERICAN FEDERATION OF LABOR OF CONGRESS OF INDUSTRIAL ORGANIZATION

# TESTIMONY OF PAUL E. FERNANDES CHIEF OF STAFF BUILDING AND CONSTRUCTION TRADES COUNCIL OF GREATER NEW YORK

### COUNCIL OF THE CITY OF NEW YORK SUBCOMMITTEE ON ZONING AND FRANCHISES

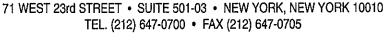
### TESTIMONY ON DURST DEVELOPMENT LLC LAND USE APPLICATIONS

### **JANUARY 17, 2013**

Good morning, Mr. Chairman and members of the subcommittee. My name is Paul E. Fernandes. I am the chief of staff of the Building and Construction Trades Council of Greater New York, an organization that consists of local affiliates of 15 national and international unions representing 100,000 working men and women in the five boroughs of New York City.

We are pleased to testify today in support of the land use applications submitted by Durst Development LLC to allow for the construction of the West 57 Pyramid project, a superior design that will create 753 new rental housing units, 20 percent of which will be affordable.

This project enjoys strong support from organized labor in the building and construction industry. Its \$400 million investment will create 1,750 construction jobs at a time when they are desperately needed. The development team has applied for and been approved to use a project labor agreement on this site, which is in the process of being executed, meaning that construction jobs in





the skilled trades will be unionized and paid at good wages with health insurance and pensions.

This commitment is worth noting as many developers coming before this subcommittee and the Council do not make such a commitment to working men and women, and they furthermore often do not do so voluntarily.

Employment in construction in New York City, based on the most recent data available from November 2012, remains more than 22,000 jobs below the peak in 2008. Recovery in our industry remains slow. Every worthy project that can contribute to putting members of our affiliated unions and others back to work is therefore critical to strengthening our employment outlook and the overall health of the city's economy.

We therefore urge the subcommittee and the Council to support the land use applications needed to allow this important project to advance and look forward to working with you to do so. Thank you.



January 17, 2013

Testimony for City Planning Commission Public Hearing re: Durst Pyramid

Good Morning,

My name is Bob Kalin and I am a member of the West Side Neighborhood Alliance. As it happens in my work as a community activist in the Hell's Kitchen neighborhood I go way back with the Durst family. In the early 1980s I used to do apartment inspections with Seymour Durst himself in the 20 or so five story old law tenements that the Durst family owned in the neighborhood. I was always surprised when Seymour himself personally showed up to do these inspections instead of sending one of his agents and he was always gruff but fair and liked to cut to chase to solve any problems. I'll never forget two conversations I had with Seymour: one was about how proud he was about funding the legendary debt clock in Times Square because he told me that watching the government throw away money used to make his blood boil and the other was the final conversation we had when he told me that he was getting the hell out of tenement business and that the next generation of his family including his son Douglas were going to do high rise development.

We activists tend to get up at this kind of meeting and rail against high rise luxury development in NYC. One thing that you have to say about Douglas Durst is that he always builds his buildings with union labor, he has built one of the most interesting green buildings in the City, and while he hasn't always made us happy about the amount or permanence of the affordable housing in his projects he has at least been open to the conversation and has worked hard to push what was possible with affordability in this projects.

So instead of giving the usual screed against the evils of high rise luxury development in NYC that goes in one ear right out the other let me instead issue a challenge to the Durst family and to the members of the City Council. The Durst family is an important real estate family in the development of New York City and will undoubtedly remain so for generations to come now that Helena and other members of the next generation of the Durst family are becoming involved in the family business. If there ever was a real estate family that was up to the challenge of creating permanent affordable housing and making it happen in a complicated site like the Pyramid site under discussion today the Dursts are the family that are up to the job. The specific challenge I issue to the Dursts is that instead of telling us all the reasons that a complicated net lease with the Appleby family on the pyramid site doesn't make it possible to do true permanent affordable housing on the site' let's all of us in this room have a real conversation right now including Councilmember Gale Brewer whose district this project is in about how we going to make permanent affordable housing on this site or nearby. My challenge to the City

Council and to all of us present in this room today is that we all should expect a lot of our most respected and highly regarded real estate families like the Dursts whom I believe truly care about the future of our City We all need to put them to the challenge starting with this project to truly push the envelope of what's possible here—they've designed an extraordinary looking building for the site lets make it extraordinary in other important ways including permanent affordability that set a true example for the future of what's possible in this City. Let's never forget that there's an awful lot of public money involved in this project and with that money come the challenge and the responsibility to make the most of it on all levels. To the Durst family let me finally say that I believe that you are up to the challenge because you have the talents, skills, and smarts necessary to make permanent affordable housing a keystone of this project. I hope that you have the courage to make your extraordinary family legacy even more extraordinary by accepting this challenge, because, you know what, you know even better than we do that you folks are up to the challenge and that you're going to prove us right about our faith and trust in you. Please prove us to be right about you. Please come up with a solution that makes permanent affordable housing a part of this project. Thank you.



Public Hearing
250 Broadway, 16<sup>th</sup> Floor
New York, New York
January 17, 2013, 11:00 a.m.

### Urban Justice Center - Community Development Project

Testimony before the New York City Council Subcommittee on Zoning and Franchises Concerning Durst Development L.L.C.

Thank you Chair Weprin and Council Members of the Subcommittee for the opportunity to testify today. My name is Edward W. De Barbieri, and I am a Staff Attorney at the Community Development Project of Urban Justice Center. Urban Justice Center is a project-based umbrella legal services and advocacy organization serving New York City residents. In the past 28 years, Urban Justice Center has provided direct legal assistance, systemic advocacy and community education to low- and moderate-income tenants in New York City. The Community Development Project (<a href="https://www.cdp-ny.org">www.cdp-ny.org</a>) strengthens the impact of grassroots organizations in New York's low-income and other excluded communities. We achieve this through legal, technical, research and policy assistance in support of their work towards social justice.

We are opposed to Durst Organization's project proposal for 625 West 57<sup>th</sup> Street, in Manhattan, because the affordable housing is not permanent. Permanent affordability is necessary on this project. The granting of the rezoning will be permanent—failing to ensure permanent affordability for the 151 affordable units is simply a bad deal, and an abuse of the

public trust. Put plainly, this is the single public decision that will permit or deny the construction of this building. It is the one opportunity that local government has to guarantee that long-term affordable housing remains on this site.

Durst Organization claims that it cannot agree to permanent affordability because the site is controlled by a long-term lease and economics prevent it. At a minimum Durst should agree to keep the units affordable for the balance of the lease, approximately 87 years. In addition, there is nothing stopping the city from requiring that Durst continue to provide affordable units in perpetuity so long as it holds a lease on the site.

We agree with Community Board 4, former State Senator Tom Duane, and advocacy organizations, including Association for Neighborhood Housing and Development that the city needs to push the developer to accept permanent affordability in exchange for this crucial government approval. Thank you for the opportunity to give testimony today. Please call me at 646-459-3004, or email me at <a href="mailto:edebarbieri@urbanjustice.org">edebarbieri@urbanjustice.org</a>, if you have any questions related to this information.

### United Brotherhood of Carpenters and Joiners of America

#### NEW YORK CITY & VICINITY DISTRICT COUNCIL OF CARPENTERS

MICHAEL R. BILELLO Executive Secretary - Treasurer

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395 Hudson Street - 9<sup>TH</sup> Floor New York, N.Y. 10014 Phone: (212) 366-7500 Fax: (212) 675-3118

www.nycdistrictcouncil.com

January 17, 2013

### **Testimony in support of the West 57th Street Project:**

Good morning members of the City Council Subcommittee on Zoning and Franchises.

My name is Tamara Rivera. I am a council representative of the New York City and Vicinity District Council of Carpenters, an organization representing eight locals and 25,000 members. I am also Manhattan resident and a member of Community Board 12.

As an organizer, I have been all around the five boroughs and have seen many constructions sites with contractors that are not accountable for their workers. I interview many workers on a day-to-day basis and sadly find out they have no benefits and receive substandard wages. There is a compound effect of workers not getting benefits, because if the workers or their families are not covered by medical insurance, the City picks up the tab. In most cases, personal protection equipments are not always OSHA approved, and certifications are usually bought with no proper training. This, among other things, is what we usually see from irresponsible contractors.

In contrast, Durst Fetner Residential has had a history of developing projects with responsible contractors and I am confident the proposed West 57<sup>th</sup> Street project will not be an exception. This project will help boost the economy because it will create 1,750 good paying construction jobs in a time where our industry is trying to get back to where it was before the downward economy hit New York City. This project will also create 25 well needed permanent jobs.

It is not easy building New York City, but we are proud to do it because of our training, our qualifications, our fair wages and benefits. It is not just a job, is our careers.

We look forward to continue working with responsible developers such as Durst, and I am confident they will continue to do the work the right way.



777 Tenth Avenue, New York, NY 10019 T: 212-541-5996 F: 212-541-5966

January 17, 2013

Testimony for City Council Subcommittee on Zoning and Franchises Public Hearing re: Durst Pyramid

### Good Morning,

My name is Bennett Baumer and I am a Tenant Organizer at Housing Conservation Coordinators. HCC is a legal services and tenant's rights organization that has served the neighborhood of Clinton/Hell's Kitchen for almost 40 years and is dedicated to preserving safe, decent and affordable housing. Every year, we help thousands of neighborhood residents keep their homes, improve their living conditions and fight for the changes that will keep our neighborhood affordable and diverse for years to come.

HCC cannot support a development that takes advantage of public money through the 421-A and 80/20 programs if they do offer Permanent Affordable Housing. One thing our community absolutely needs is PERMANENT AFFORDABLE HOUSING. Every day people come into our office looking for affordable housing in the neighborhood, and can't understand why we don't really have any where to refer them to.

We know all too well what happens to affordable housing programs that are not permanent, because we are losing formerly affordable Section 8 and 80/20s apartments at a much faster rate than the rest of the city. We can't support a development and a zoning change that doesn't give our community what it needs.



777 Tenth Avenue, New York, NY 10019 T: 212-541-5996 F: 212-541-5966

Good morning/afternoon,, my name is Sarah Desmond. I am a member of the Clinton/Hell's Kitchen Land Use and Housing committees of Community Board 4 and the Executive Director of Housing Conservation Coordinators, Inc. a legal services and advocacy organization based in Hell's Kitchen. Thank you for the opportunity to testify on this project.

I am here to urge the committee to vote <u>NO</u> on the proposed project, uncles the developer agrees to make the low income units permanently affordable.

Community Board 4 has seen a lot of development over the past decade – off the top of my head, I can count seven (7) major rezonings in the past 7 years, including

- -- Hudson Yards, 2005
- -- Special West Chelsea District, 2005
- -- Western Rail Yards, 2009
- -- Two Trees/Mercedes House
- -- GothamWest/P.S. 51, 2010
- -- West Clinton rezoning, 2011
- -- Chelsea Market, 2012
- -- Clinton Green, CURA
- ---Numerous as-of-right developments in the Perimeter Area of the Special Clinton District.

While no one project has met the SEQR-established thresholds to trigger mitigation, collectively they have undeniably changed the demographics and diversity of our community.

- significant increases in overall population (apparently --- in fact the population of Clinton alone grew 4x the total population growth of the entire borough of Queens, if the Census is to be believed)
- impacted on our economic diversity with the large influx of market rate housing in each development
- altered age and family demographics as the unit distribution in the new market rate housing is overwhelmingly one bedrooms and studio units.

Many of these developments were built in the past two decades with 80-20 financing -- In fact, CB4 has the single largest concentration of HFA-financed 80-20 projects in New York State.

The 20% affordable units generated under this program are only time limited and an enormous number of units will exit the program within the next decade. When those units expire en masse, we will see even more changes in the community.

During the Hudson Yards rezoning, the community fought for – and won – permanent affordability. Initially it was a difficult discussion as it overlayed the 80-20 HFA bond financing with Inclusionary Zoning, but we had seen the short sightedness of the 80-20 program and did not want to see the Hudson Yards area developed with public financing to be 80% market and 20% low income, only to very quickly become to 100% market. If I recall correctly, the Dust Pyramid project is the first project since the Hudson Yards rezoning 7 years ago, to come before CB4 that did not have permanent affordable housing.

The Proposed Project is located within the Special Clinton District, which was passed by the Council in 1974. Its goals include, among others, [96-00(b)] "to permit rehabilitation and new construction within the area in character with the existing scale of the community and at rental levels which will not substantially alter the mixture of income groups presently residing in the area."

This project, with 863 units, and NO permanent affordable housing will undeniably alter the mixture of income groups in our community. We urge you to vote NO..

of the record

January 17, 2013

Testimony for City Council Subcommittee on Zoning and Franchises Public Hearing re: Durst Pyramid

Good Evening,

My name is Nico Boccio, I am a member of the West Side Neighborhood Alliance (WSNA) and a resident of Hell's Kitchen.

Some 30 years ago, people didn't want to live in this neighborhood. The fact that the rents were affordable is what brought people here.

Those same people who helped turn Hell's Kitchen into what it has become today, can barely afford to live here anymore.

Any development project, especially housing, must serve the entire community, not just a privileged few.

I DON'T CARE, How stunning or impressive this pyramid building promises to be.

I DO CARE, about those of us living here who want a neighborhood that will serve US now and in the future!

Limiting affordable housing to only 35 years is unacceptable!

WE, the community, shall not stop until we get PERMANENT AFFORDABLE HOUSING with no strings attached.

Ladies and Gentleman I'm very familiar with Pyramid schemes...

This one tops them all!

Thank you.

1/17/13

4 the record

Members of the City Council Subcommittee on Zoning and Franchises,

Thank you for giving me the opportunity to speak to you about the Durst Pyramid this evening. My name is Anita Black, I am a member of the West Side Neighborhood Alliance, a native New Yorker and a West Side resident for over 35 years. I am here today to urge you to not support the Durst rezoning for their pyramid building. Hell's Kitchen is becoming more of a playground for the rich, and we need to be able to preserve the mixed income and family friendly atmosphere that makes this community so great. By not including permanent affordable housing, the Dursts have shown that they do not care what our community needs. At a time when New York is becoming unaffordable, we should be doing whatever we can to make sure that people with different incomes can live here. Thank you

Sincerely,

Anita Black

### Regional Plan Association

### Testimony for the City Council 625 West 57<sup>th</sup> Street Rezoning Hearing

### By L. Nicolas Ronderos, New York Director, Regional Plan Association

### January 17th, 2012

My name is Nicolas Ronderos; I'm Regional Plan Association's New York Director, a private, nonprofit research and planning organization serving the greater New York metropolitan region. RPA would like to express support for the 625 West 57<sup>th</sup> Street rezoning, which would complement other West Side initiatives that together are helping to transform the area from a manufacturing zone to a mixed-use environment.

The project will result in the development of much needed 1.1 million gross square feet of new buildings, including 863 residential rental units and 151 affordable units, 80,000 square feet of commercial office, 62,000 gross square feet of retail, 28,000 gross square feet of community facility space and 285 additional accessory parking spaces. The site is currently undeveloped and regulated by zoning reflecting previous manufacturing and commercial land use characteristics of this part of Manhattan.

The proposed actions include rezoning to commercial from manufacturing, large-scale development and other special permits and modification of the existing Restrictive Declaration on the site. These changes are needed to allow the proposed amount of residential space and to accommodate the exemplary architecture proposed by the applicant. This project would allow precisely the type of uses that will enhance the area's transformation, with a mixed-use building with residential, commercial office, retail, community facility and parking uses. Provision of affordable housing and open space connections through the block also would benefit current and future residents.

RPA has supported residential development on the West Side of Manhattan since the 1920s and has been involved in neighboring projects, including Hudson River Park, Riverside South, Hudson Yards and West Chelsea that have transformed what was once largely a shipping, warehousing and manufacturing district on the West Side Waterfront into a mixed use residential district. RPA sees the 625 West 57<sup>th</sup> Street project as an important part of this larger transformation, which will enhance the livability of the West Side over the next generation.



Subcommittee on Zoning and Franchises Thursday January 17, 2013 Testimony on LU 0749-2013

On behalf of the 70,000 SEIU Local 32BJ members that live and work in New York City, I am here to express our support for Durst Fetner Residential's planned development on West 57th Street.

This project presents a threefold opportunity for the neighborhood. First, the development of this project will allow for more permanent jobs in the area that pay good wages and provide access to quality, affordable healthcare. It is these kinds of jobs that working people like future building service workers on Manhattan's West Side need to survive and raise families in the City.

In addition to being a responsible employer, Durst Fetner is deeply committed to environmental sustainability. If the project moves forward, it will take a site that was environmentally degraded in years past and replace it with a cutting edge green building. This advancement would be coupled with innovative environmental programming, including one of the largest residential composting programs in New York.

And Durst Fetner will make sure the development also responds to community needs. 150 units in the building will be affordable for several decades, and rent regulated for many years after that.

As we all know, not every developer is committed to this mix of high quality jobs, environmentally sustainable projects and affordable housing that allows workers to care for their families and thrive in our City not just in the present but well into the future. Yet just across the street, TF Cornerstone is looking to build, even though they have no such record of responsible development and have made a habit of undercutting industry standards.

We need to support responsible community partners like Durst Fetner, and recognize projects like this one that will help building services workers earn the wages and benefits they need to get a foothold in the middle class.

For these reasons, I urge the City Council to vote in support of this proposal.



Executive Director
Jerilyn Perine

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Testimony
Ilene Popkin – Senior Fellow
Citizens Housing & Planning Council
New York City Council Public Hearing- January 17, 2013
DURST WEST 57<sup>TH</sup> Street

My name is Ilene Popkin and I am speaking on behalf of the Citizens Housing & Planning Council. I thank you for the opportunity to testify in support of the West 57<sup>th</sup> Street project proposal by Durst Fetner Residential

We are excited by the prospect of this iconic residential proposal adding to the stock of housing and improving a former industrial site with amenities and urban design improvements to help transform it into a vibrant neighborhood for the city. With the commitment of the experienced development team, which has consistently provided quality spaces for new Yorkers while building to the highest standards of environmental responsibility, the project will be a welcome contribution to the city's ongoing need for mixed income housing?

This project presents an opportunity to add approximately 750 units of housing which would include approximately 150 units set aside for low income households of varying sizes for 35 years. This is a significant commitment that should not be taken lightly since the site itself could remain under its existing zoning and be developed for other nonresidential uses. This would be an unfortunate option given the significant benefits of residential use at this location

While we understand that there is a desire to extend the 35 year restriction period into perpetuity, we would caution against such additional restrictions. New construction of housing requires a significant capital investment and this is in fact the reason that NYC has had such an aggressive programmatic response to subsidizing housing through below market construction financing, tax benefits and zoning bonuses in some areas. In the end however, these programs have little impact without significant private capital to get them built. The balance has been the hallmark of NYC's successful housing programs for decades.

It may be easy to simply place future requirements today, but they become unfunded mandates in the future. In the end, this strategy does not work. It will invariably require additional government intervention in the future or additional capital subsidy now, neither of which are available today.

#### Frank J. Anelante Robert Berne Matthew Blesso Robert S. Cook Jr. Robert Ezrapour Andrea Kretchmer Henry Lanier Mark A. Levine Frances Magee

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In addition, It locks the project in to an income band 35 years into the future that may not be the priority of the community at the time. Perhaps worst of all, it does not guarantee that low-income households continue to receive the subsidized rents, which are tied to income at the time of rental, but not monitored thereafter. As household incomes rise, rents remain below market. Thus, it is likely that some tenants will continue to benefit from the original subsidies regardless of their need.

The proposed project will provide a significant addition to our need for mixed income housing, present unique opportunities to enhance the public realm and access to the waterfront, provide retail and community facility uses such as day care, and construct a project of architectural significance while meeting high standards for environmental sustainability and addition to the quality of life in the community

Thank you for taking the time to consider our opinion on this matter.



## TESTIMONY OF MOSES GATES, CHAMP DIRECTOR FOR THE NEW YORK CITY COUNCIL SUBCOMITTEE ON ZONING AND FRANCHISES

#### January 17, 2012

Good Afternoon. Thank you Chairman Weprin and subcommittee members for the opportunity to submit testimony.

My name is Moses Gates and I am the CHAMP Director of the Association for Neighborhood and Housing Development. ANHD is a not-for-profit membership organization of 94 neighborhood-based housing groups across the five boroughs. Our members represent the full range of not-for-profit housing organizations - CDCs, affordable homeownership groups, supportive housing providers and community organizers. ANHD works with our members to advocate for comprehensive, progressive housing policies and programs to support affordable, flourishing neighborhoods for all New Yorkers.

We are almost always supportive of projects that lead to more affordable housing as a sound public investment. We would like to be supportive of this proposed development. However, this project has a crucial flaw which, unless it is amended by the city council, precludes our support. The affordable housing is structured with a loophole — it's only affordable in the short-term, for 35 years. In order to be an effective development, the affordable housing needs to be permanently affordable.

The premise behind permanent affordability is simple – the value created from this land-use decision, in the form of increased FAR and more valuable commercial and residential use – is permanent. As such, the corresponding benefits to the community need to be permanent as well. This is the case with all other community benefits – when a new subway entrance is created as the result of a new

development, that subway stop is not backfilled after 35 years. There is no reason it should not apply to affordable housing as well.

This would hardly be unprecedented. All housing developed under the inclusionary zoning program must be permanently affordable, for instance. And, as you have heard from the Community Board, most affordable housing developments in Community Board four have pledged permanence, including ones with much more challenging financing structures than a State-subsidized 80/20 development. In addition to the value created by this rezoning, an 80/20 development utilizes enormous public benefits: a 421a Tax Exemption, access to tax-exempt public financing, and direct equity in for of Federal Tax Credits being three of the largest. This is in addition to the cross-subsidization that will come from the market rate housing units commanding Manhattan rents. There is absolutely no financial reason permanent affordability should not be part of a viable development plan.

We understand there is a land lease for this property. This too, should not preclude affordability. Indeed, a development slated for right across the street, which is likewise on leased land from the same owner, has pledged permanence. We encourage the city council to amend this ULURP proposal to include the affordable housing commitments as part of the zoning text, and to make the affordable housing permanently affordable, not just affordable for the short-term. At the very least, a clause that the housing stay affordable for the 87-year duration of the lease, with a clause that if the lease is renewed, the affordability should be renewed as well, needs to be added as part of this land use decision.

Permanent affordability should be part of all affordable housing developments. For it to not be part of a development when there is such strong community support, such large added value as the result of the rezoning process, a considerable amount of public subsidy in the form of tax-exempt financing, tax abatements, and tax-credit equity, and a financing structure that allow for cross-subsidization with expensive market-rate rental units, falls far short of the city's admirable commitment to affordable housing for future generations.



January 17, 2013

Testimony for City Council Subcommittee on Zoning and Franchises Public Hearing re: Durst Pyramid

### Good Morning,

My Name is Matt Klein and I am a member of the West Side Neighborhood Alliance. WSNA is an independent, member-run organization that mobilizes West Side residents to take charge of planning our community. We advocate for a diverse, affordable, livable neighborhood that preserves the mixed-income character of today's West Side, and we work to guarantee that the ongoing development of our neighborhood serves community members of all races, incomes and backgrounds.

The proposed project, this residential Pyramid, does not serve the members of our community at all, especially if the developers are unwilling to make the affordable housing part of their plan permanent. Our community does not need a new luxury housing development, we NEED permanent affordability.

When we have talked about this project at our WSNA meetings, other members are appalled by the fact that the Dursts won't budge and are unwilling to even consider permanent affordability. The developers think that a pyramid offers more to a community than actually being able to live here does. The two don't have to be mutually exclusive.

If you extrapolate the percentage of affordability based on the amount of time remaining on the ground lease, an 80/20 for 35 years would actually only make less than 9% of the project affordable. How dare we even consider approving a change in zoning that gives the developer so much and the community so little.

When we listen to all the chatter about this project terms like, iconic, groundbreaking and revolutionary are common descriptions, but to me and the other members of WSNA, a truly revolutionary idea would be to voluntarily offer to give the community what it needs, in this case permanent affordability.

Thank you



Oral testimony at NYC Council public session

January 16, 2013

RE: 20% Permanently Affordable Housing/Durst Pyramid

Good morning. I am Kathleen Treat, Chair of the Hell's Kitchen Neighborhood Association

The Durst organization is to be commended for its commitment to New York. Many of my neighbors in Hell's Kitchen were tenants of the Dursts in the past, and speak highly of them to this day.

I heartily dislike the 80/20 program, which offers <u>enormous</u> helpings of gravy to developers in return for its miserly, Ebeneezer Scrooge twenty years. Bah! Humbug!

Wouldn't it be grand if the Dursts led the vanguard into permanently affordable housing?

Given their reputation as fair, morally upstanding landlords, who better to show the rest of the development community how it's done?

I sincerely hope that the Durst organization will accept this leadership role.

Kathleen McGee Treat, Chair

Hell's Kitchen Neighborhood Association 454 West 35<sup>th</sup> Street, New York, New York 10001 212-501-2704 - <u>www.hknanyc.org</u>



### AFFORDABLE HOUSING

 20 percent of new residential housing will be affordable through the 80/20 for at least 35 years;

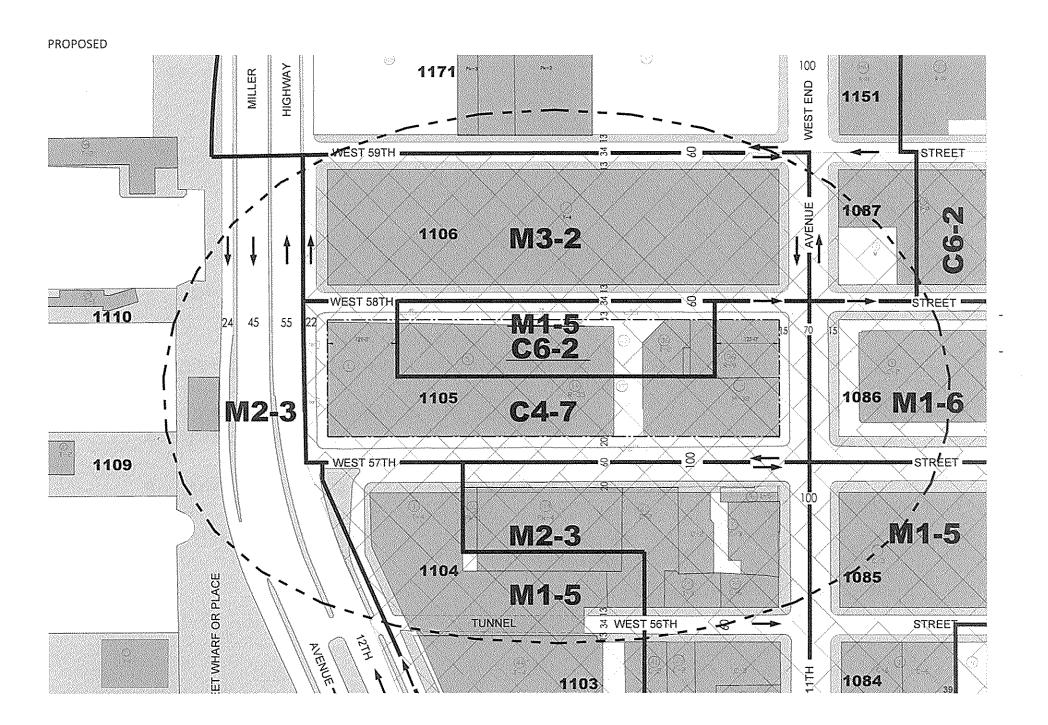
- Units will either be 50 percent or 40 percent of AMI;
- After 35 years, all affordable units remain in the rent stabilization program until vacancy.

AFFORDABLE HOUSING

### **ULURP ACTIONS**

- o Rezoning of 58th Street midblock from M1-5 to C6-2
- o Special bulk permits under general large scale development to allow for unique building shape.

- o Special permit for accessory garage (reduction of 350 spaces)
- o Modification of prior general large scale development site plan

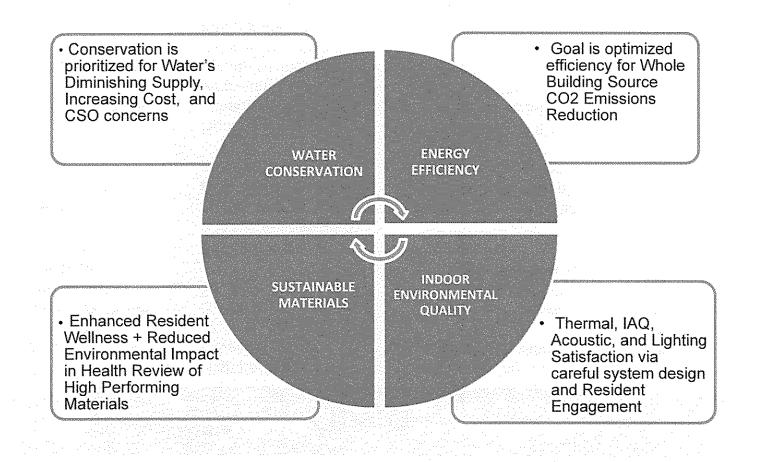


### **ULURP ACTIONS**

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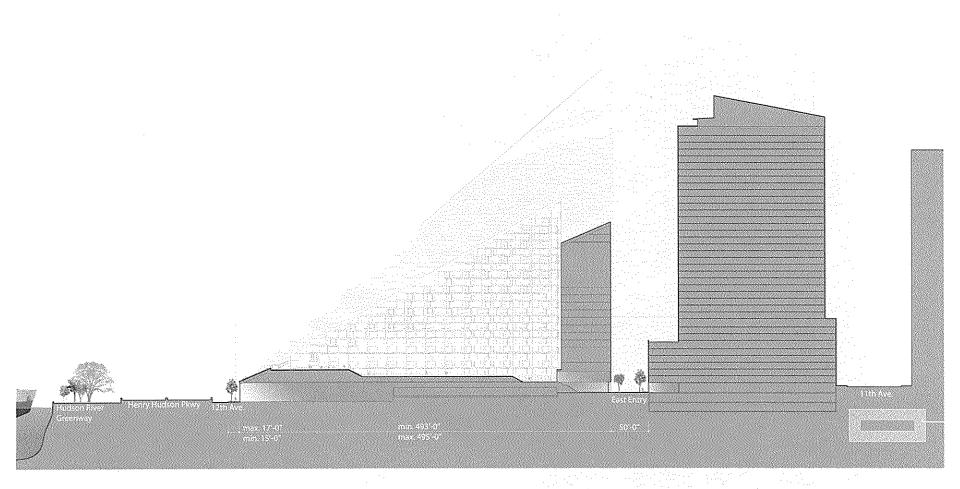
### **DURST SUSTAINABILITY POLICY**



WATER CONSERVATION	ENERGY EFFICIENCY	INDOOR ENVIRON- MENTAL QUALITY	SUSTAINABLE MATERIALS
black water treatment capacity to contribute	<ul><li>High performance envelope</li><li>Hybrid heat pumps w/</li></ul>	<ul><li>Non-smoking residential building</li><li>Façade maximizes</li></ul>	Materials emissions tested, with transparent product composition required
cooling tower make- up, irrigation, and flushing needs	<ul> <li>hot water bypass</li> <li>Highly efficient chillers and natural gas fired</li> </ul>	biophilic benefits of daylight and views in apartments	<ul> <li>Products held to strict performance standards,</li> </ul>
Rainwater to be collected for irrigation and cooling tower	condensing boilers, plus VFDs on all pumps, fans	Mechanical ventilation with outside air to all residential apartments	lengthening replacement cycles
<ul> <li>make-up</li> <li>Bioswales in the drive- thru remove silt and pollution from surface</li> </ul>	<ul> <li>Heat recovery for exhaust and outside air systems, and demand-controlled</li> </ul>	<ul> <li>Computational thermal dynamics modeling in design for thermal comfort</li> </ul>	<ul> <li>Maximize procurement from manufacture in NYC, NY State, via collaboration with NY Industrial Retention</li> </ul>
run-off Low-flow fixtures	ventilation in public and common areas  Master switch	Thermal comfort controls	Network     Building-wide     composting planned

THE DURST ORGANIZATION'S SUSTAINABILITY POLICY





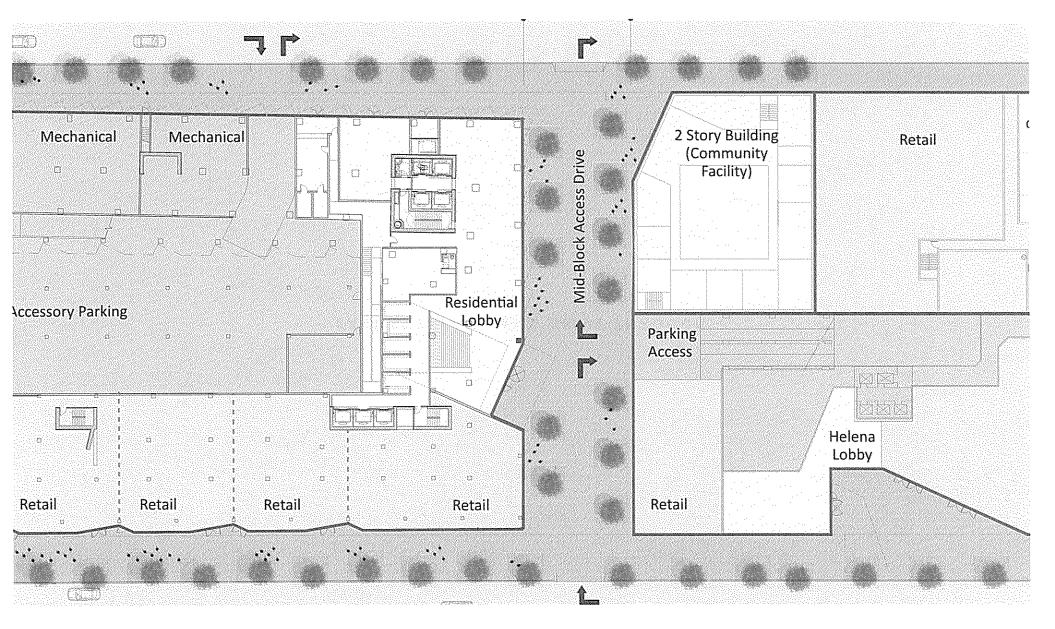


VIEW LOOKING SOUTH ON NORTH EAST CORNER



VIEW LOOKING WEST ON WEST 58TH STREET

#### PROPOSED TENANT LOBBY ENTRANCE



EAST ENTRANCE AND DRIVE THROUGH





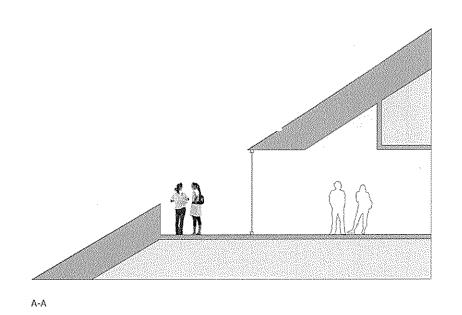
VIEW ON CORNER 12TH AVE / WEST 58TH STREET

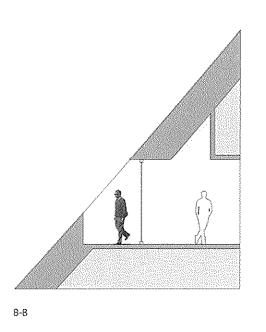
WEST 58TH STREET

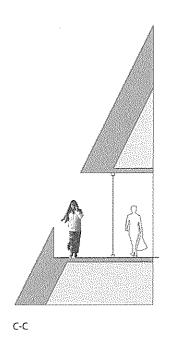
#### VIEW FROM PENTHOUSE



#### PRINCIPLE SOUTH ELEVATION TERRACES







A-A B-B C-C

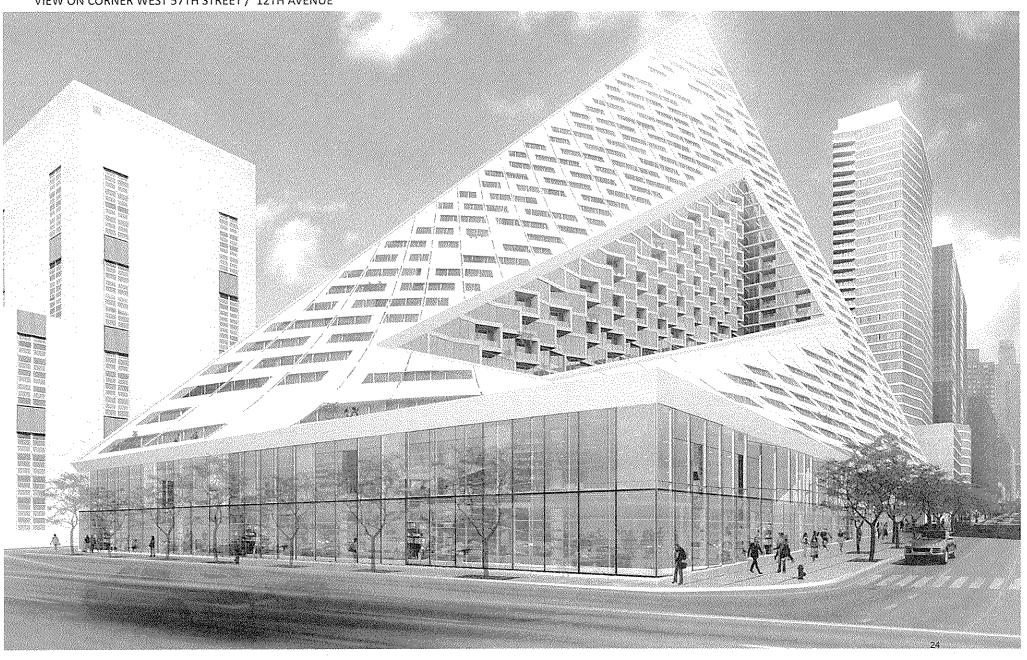
#### PRINCIPLE SOUTH ELEVATION TERRACES



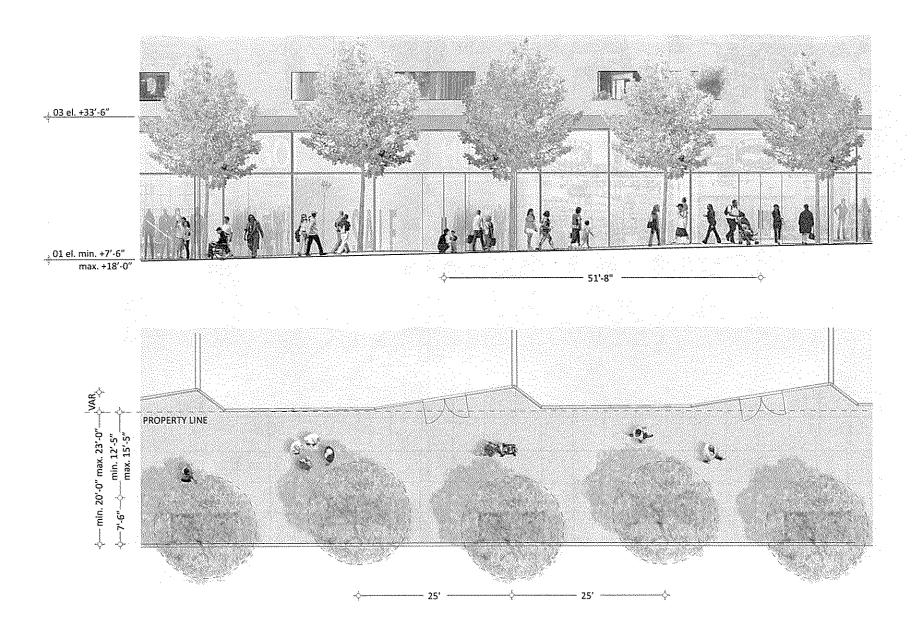
VIEW ON CORNER WEST 57TH STREET / 12TH AVENUE



VIEW ON CORNER WEST 57TH STREET / 12TH AVENUE



## 12TH AVENUE



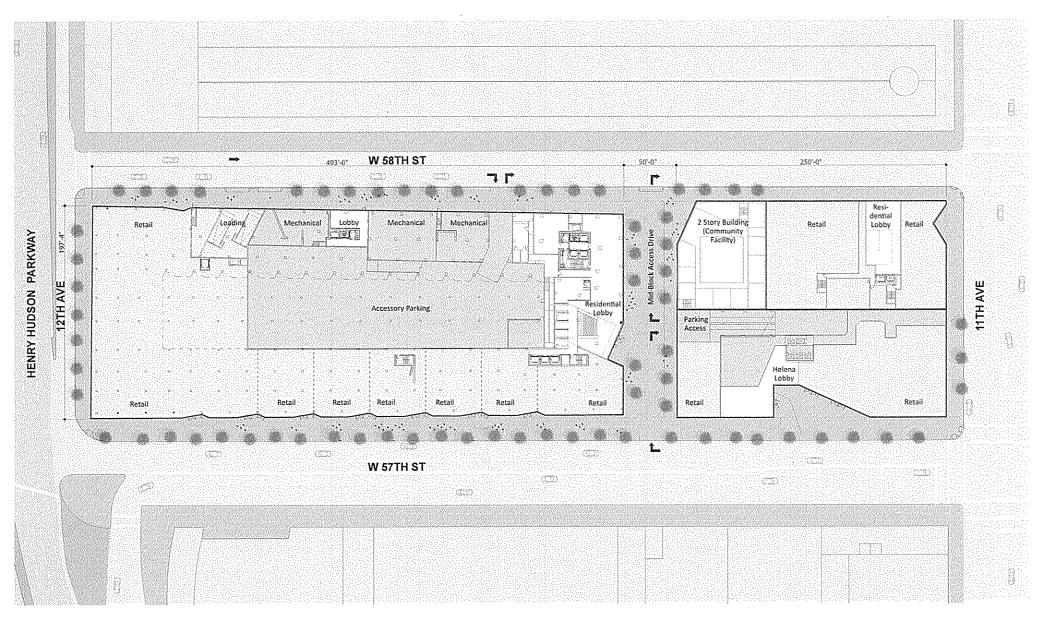
## VIEW ALONG WEST 57TH STREET

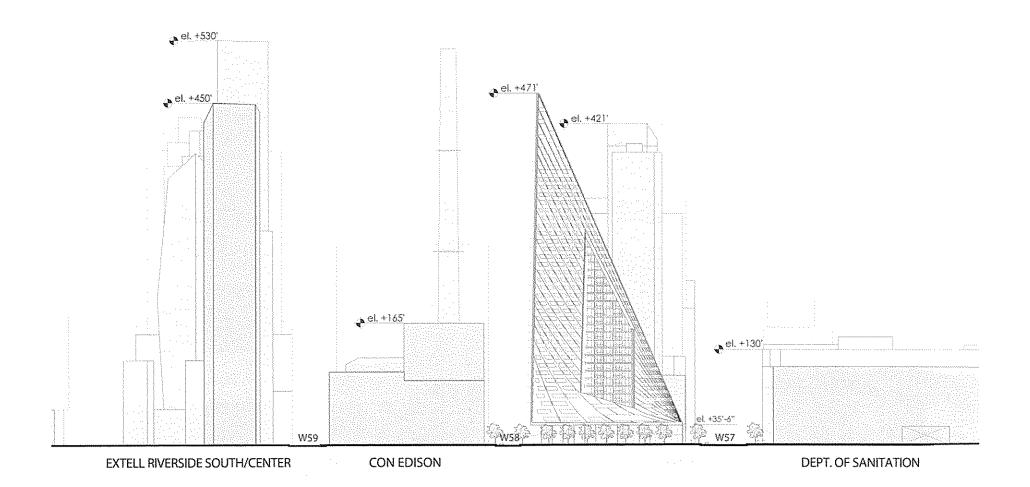


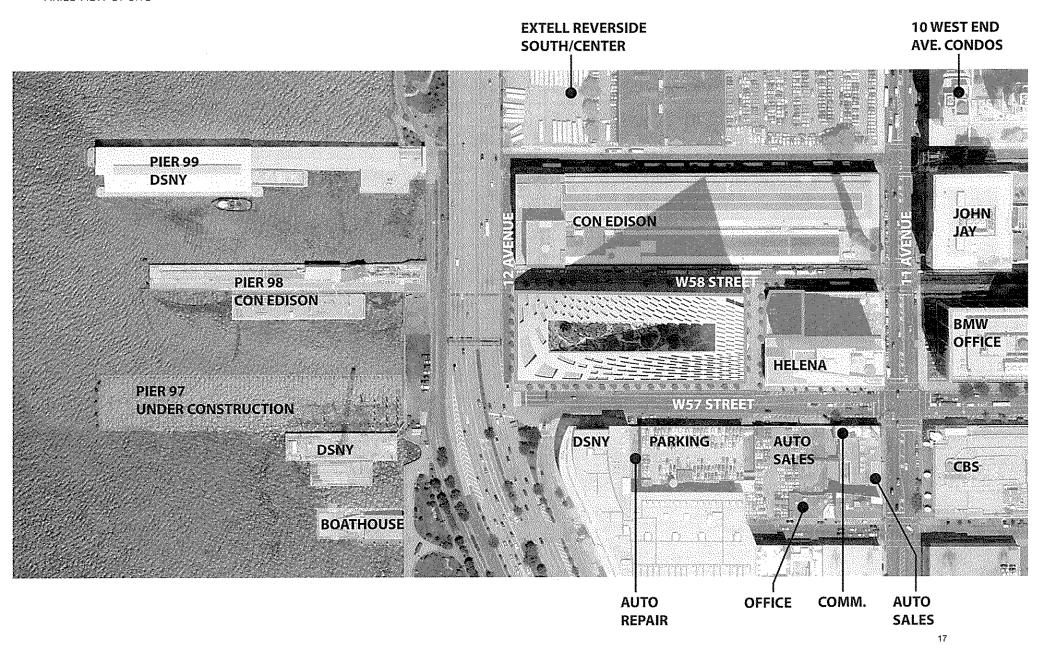
PEDESTRIAN SPACE WEST 57TH STREET

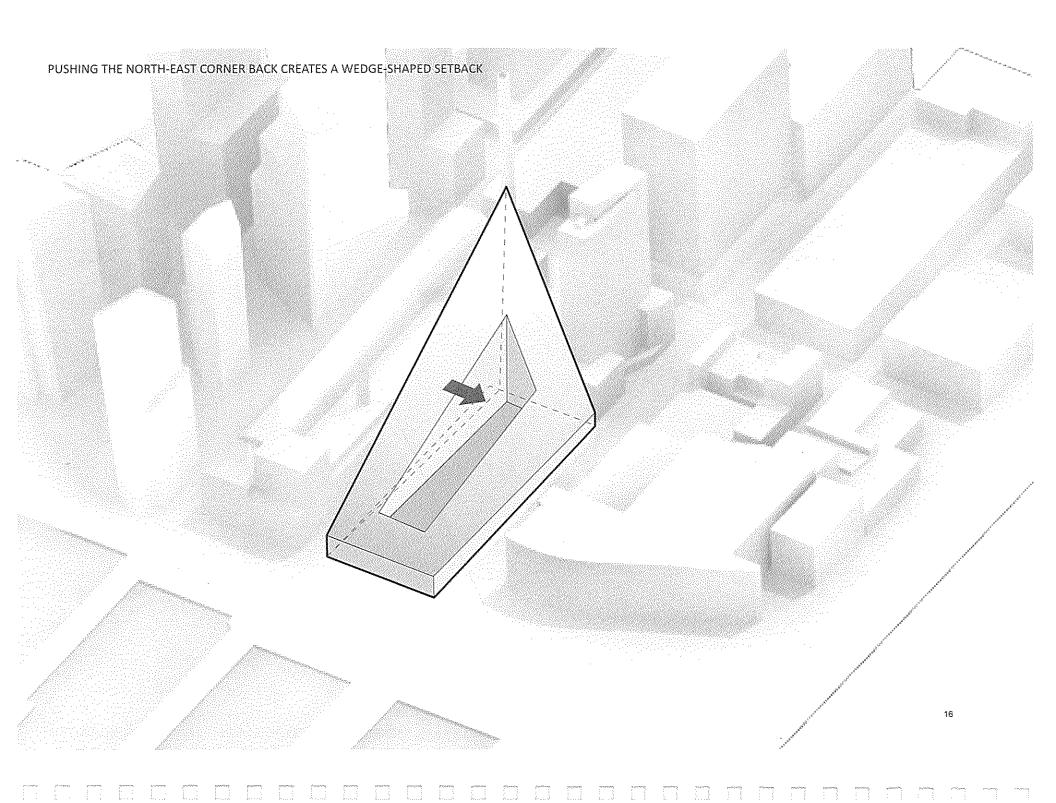
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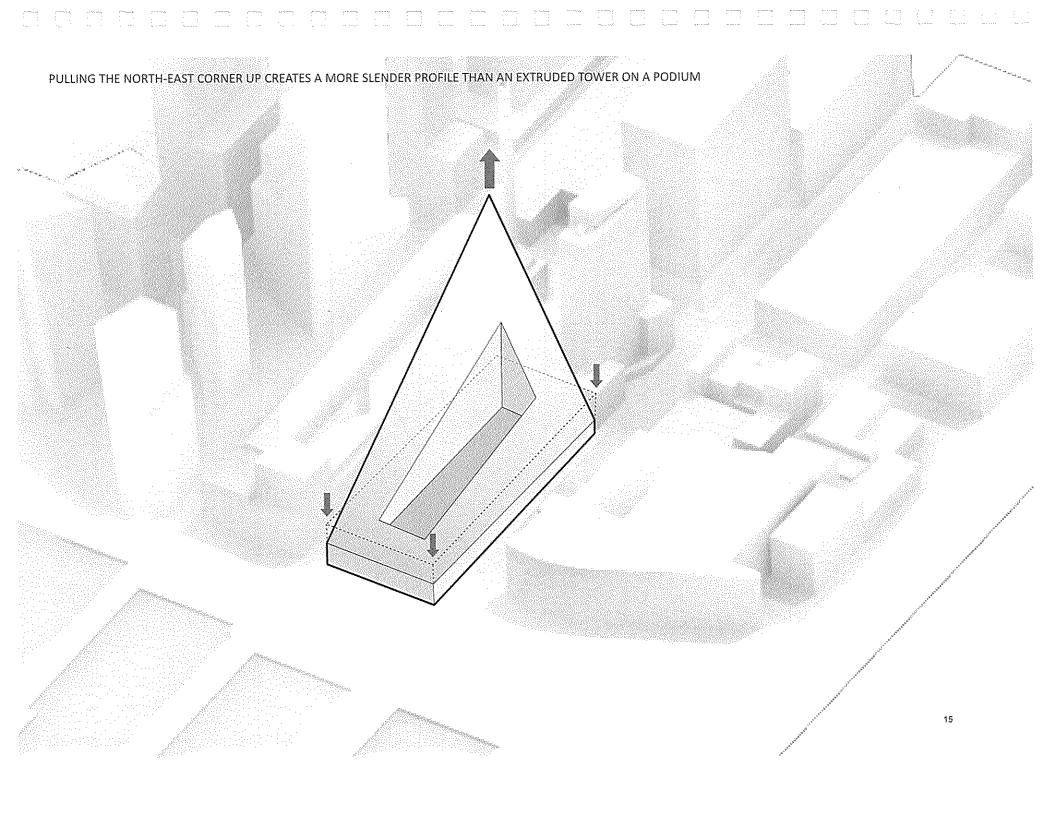
#### **GROUND FLOOR PLAN**

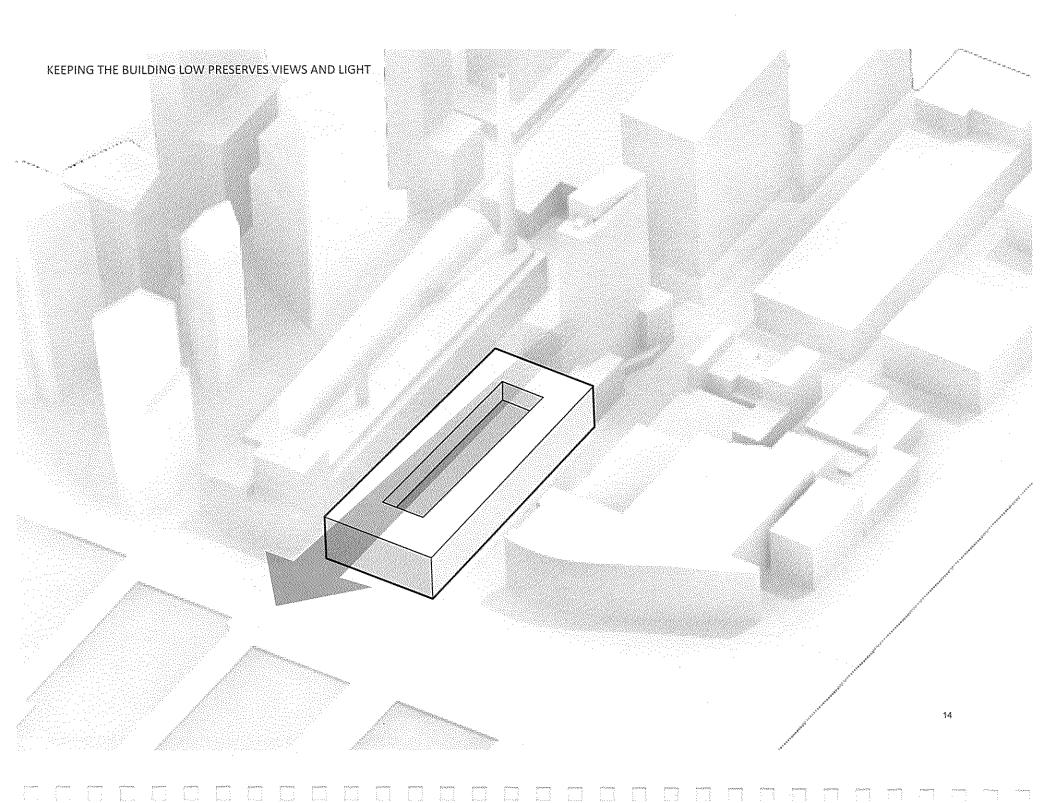


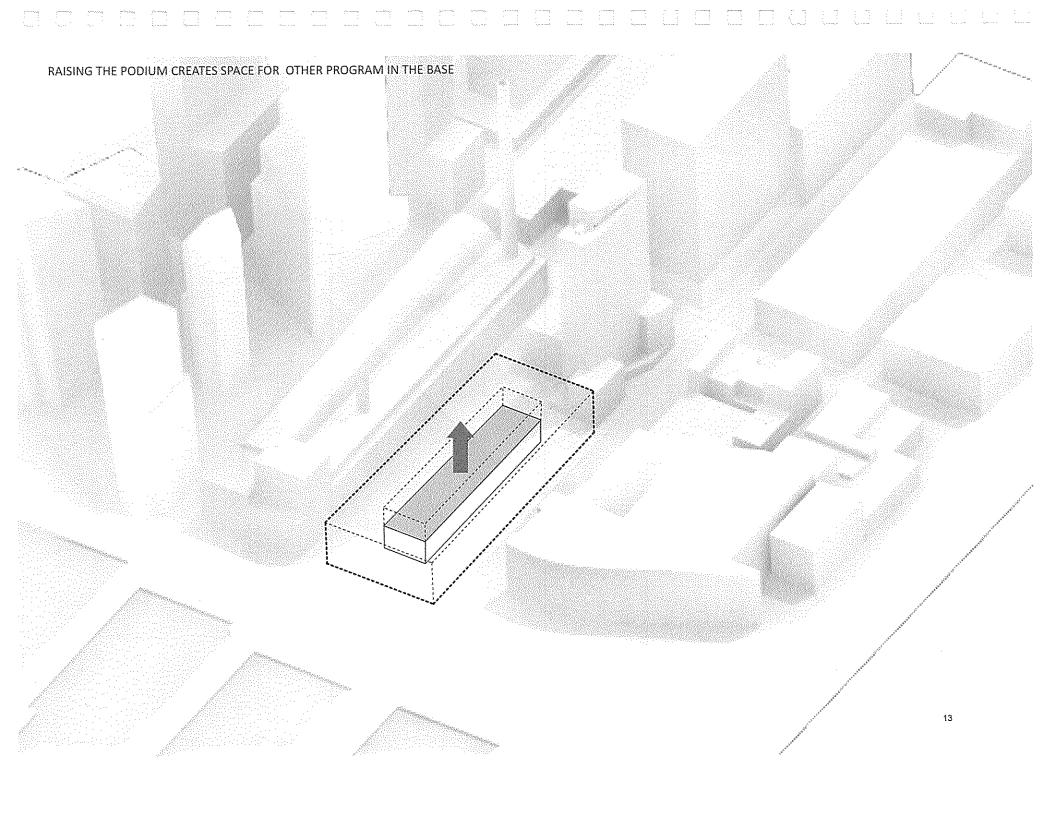


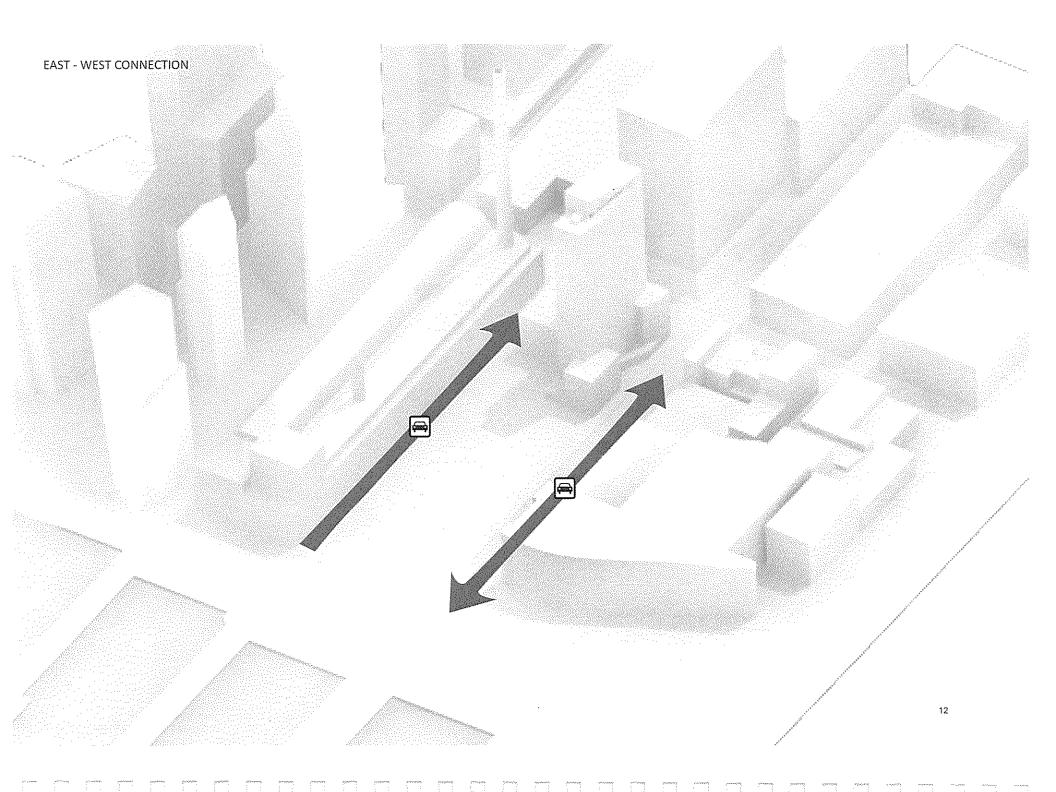


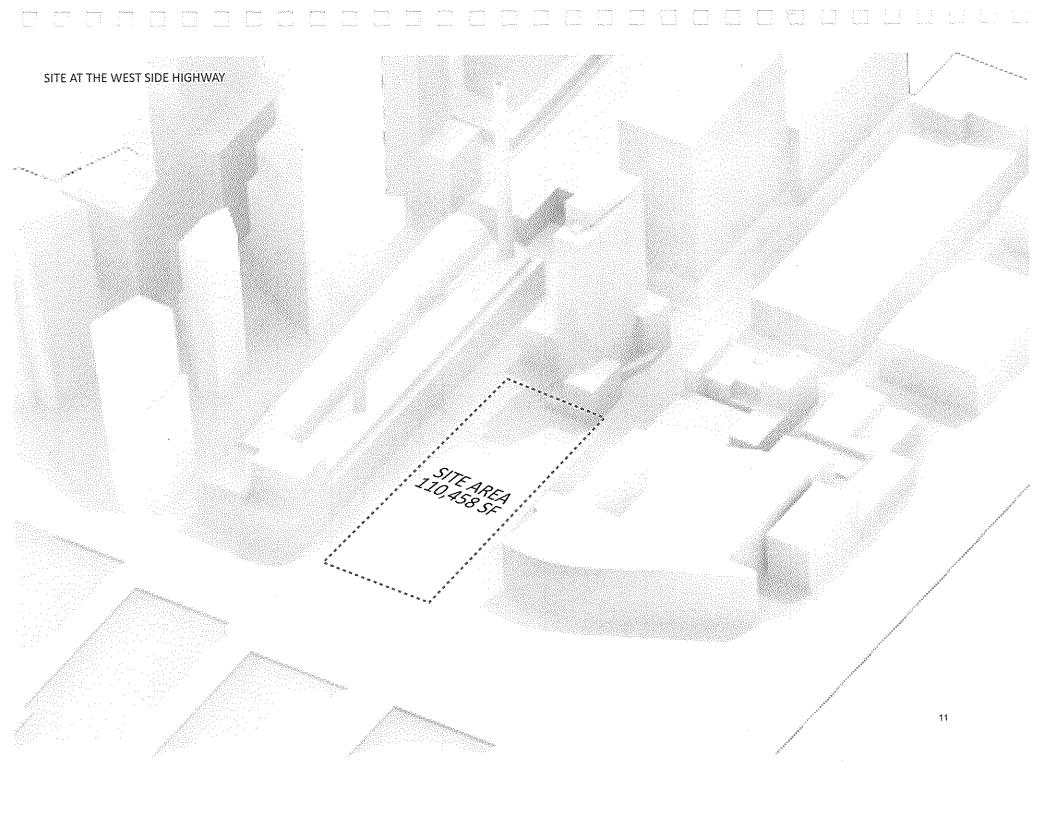


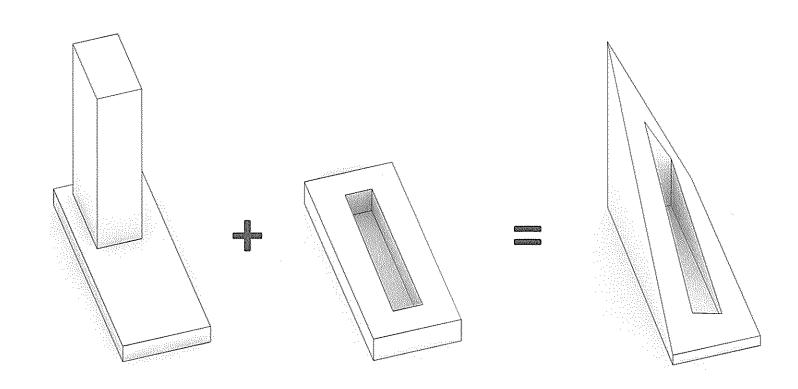




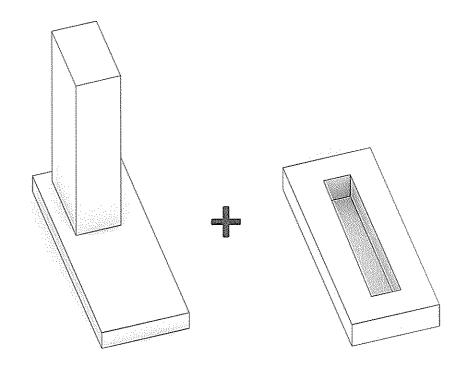


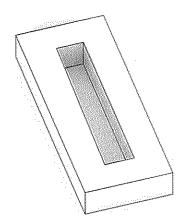






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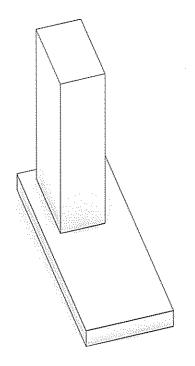




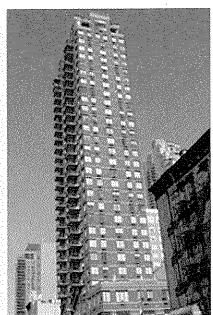


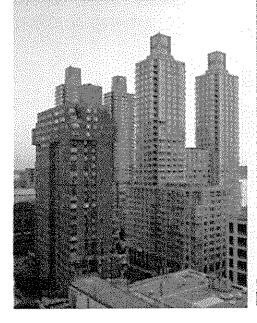


TYPICAL TOWER ON PODIUM DEVELOPMENT IN THE NEIGHBORHOOD







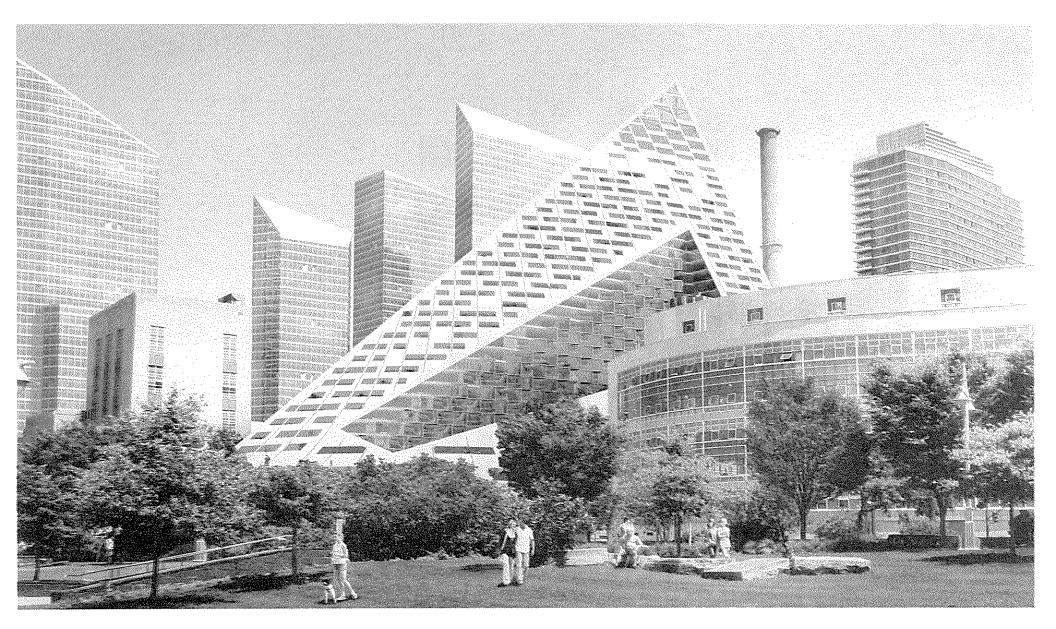


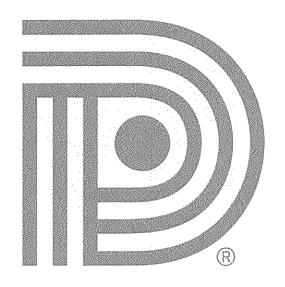




**URBAN CONTEXT** 

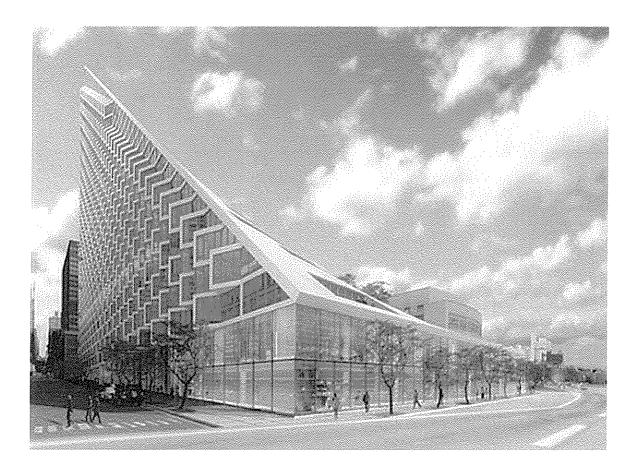
#### VIEW FROM HUDSON RIVER PARK





The Durst Organization Inc.

# Durst West 57<sup>th</sup> Street Project



## **Innovative Urban Design**

## however:

- Needs to include Permanent Affordable Housing
- Needs improved pedestrian friendly design for mid-block driveway
  - Needs improved West 58th Street streetscape
  - Needs public access point for Hudson River Park

## GALE A. BREWER

COUNCIL MEMBER, DISTRICT 6
MANHATTAN

#### DISTRICT OFFICE 563 COLUMBUS AVENUE, AT 87<sup>th</sup> STREET NEW YORK, NY 19024 (212) 873-0282

FAX (212) 873-0279

CITY HALL OFFICE 250 BROADWAY, ROOM 1744 NEW YORK, NY 10007 (212) 788-0975 FAX (212) 313-7717

gale brewer@council nyc.gov



# THE COUNCIL OF THE CITY OF NEW YORK

CHAIR

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TEGINOLOGY
TRANSPORTATION
WATERFRONTS

January 14, 2013

Mr. Douglas Durst Durst-Fetner Group One Bryant Park New York, NY

Re: ULURP Nos. 120396 ZMM, 120397 ZSM, 120398 ZSM, and M010151 ZSM 625 West 57th Street (Manhattan Block 1105, Lots 1, 5, 14, 19, 29, 36, and 43)

Dear Mr. Durst:

On January 17, 2012, the Durst-Fetner Group will appear before the New York City Council Subcommittee on Zoning and Franchises to testify in support of what is commonly referred to as West 57<sup>th</sup> Street Pyramid application (referenced above). I have spoken with Council Member Leroy Comrie, Council Member Mark Weprin, and representatives from Manhattan Community Board 4 (MCB4) and there is a shared understanding between all of us that there are three outstanding issues that should be addressed at this meeting and throughout the rest of the process:

### Permanent Affordable Housing

I understand that of the 753 residential units, twenty percent of which, or up to 151 units, will be affordable under the New York State Housing Finance Agency's 80/20 program. However, the units that are affordable will only remain affordable for 35 years.

Since the City Council approved the Hudson Yards re-zoning in 2004 it has been my strong preference that affordable units be designated as permanently affordable. Without permanently affordable units, the City would not be able to maintain its mixed-income residential character.

Apparently, this land is part of a 99-year lease with 87-years left. I would like you to consider the possibility of the affordable units running parallel to the life of the lease. Permanency is always the goal; however, we would be willing to respect the 87 year limitation inherent in the lease. In the alternative, as referenced in the Manhattan Borough President's Recommendation you have offered that when you take possession of the storage site just to the east of the proposed site on W. 58<sup>th</sup> Street you will ensure that of the proposed 110 units in that site there will 22 more affordable units through

the 80/20 Housing Plan. This means both the present site and the storage site would be affordable to at least 2047. The Helena site on W. 57<sup>th</sup> Street and Eleventh Avenue is an 80/20 also and the approximately 80 affordable units expire around 2023. It would seem to be worth some time considering extending the time of those units to at least 2047 so the block can be affordable together for the same period of time.

## W. 58th Street

Along the north side of the West 58th block is the monumental Con Ed Power Station. MCB4 and I have been expressing the need that the Project building recognize its adjacency to this remarkable historic New York City building and ensure that West 58th Street does not become an uninviting alleyway whose only purpose is to service the Project's mechanical and maintenance requirements.

I understand significant changes have been made but I would like you to consider the following recommendations to enliven W. 58<sup>th</sup> Street:

- More trees should be planted in front of the retail toward Eleventh Avenue and the loading area toward Twelfth Avenue. In addition, a landscape designer should look into expanding the tree pits so plantings can be placed around the trees.
- The proposed expansion of the lobby at the mid-block area extending in front of the mechanical space where public art would be placed to liven up the area is a wonderful and idea and should be mimicked with the other mechanical space further east after the Con Edison area.

#### Mid-Block Access Drive

As part of the Project, the 23 foot curb cut currently providing access to the accessory parking garage located beneath the neighboring building (the Helena), which is located approximately 220 feet west of Eleventh Avenue, would be removed. The existing accessory parking beneath the Helena would instead be accessed via a one-way (north), access drive connecting W. 57th and W. 58th Streets. This access drive would be located approximately 250 feet west of Eleventh Avenue and would include 25 foot curb cuts at each end of the drive. MCB4 had suggested that the driveway become a public space, enhanced by seating and plantings rather than an exclusive private driveway.

I understand that certain changes have been made to achieve this request but some revisions should be considered:

- The space for cars is now down to 22 feet (or two lanes); this leaves 38 feet for pedestrians. Consideration should be given to having the space 22 feet for cars up to the parking access and residential lobby but then making it a standard one lane after that since there will be no dropping off after those points. These options allow more space for people.
- There should be more thought put into the landscaping design so this feels not just like a "green" driveway but more like a "green" open space for people.
- Signs should be prominently displayed at the W. 57<sup>th</sup> and W. 58<sup>th</sup> Street access points informing them that this is a public open space.

## Community Facility

A two-story community facility building will be located in the midblock portion of the Project site. As I understand it, you are pursuing a day care facility but as of the date of this letter, no commitment for such use has been obtained. I request that you work with MCB4 and provide them with a written commitment of use when such is obtained. I have contacted the Administration for Children's Services regarding the possible use of some vouchers for any daycare program at this site.

Thank you for your consideration.

Sincerely,

Gale A. Brewer

Gale A. Brewer

### Manhattan Community Board 4

### Memo

To: Amanda Burden, Chair, City Planning Commission

From: Robert J. Benfatto, District Manager, MCB4

Jean-Noland, Chair, Clinton/Hell's Kitchen Land Use, MCB4

Joe Restuccia, Member, MCB4 Sarah Desmond, Member, MCB4

cc: Council Member Gale Brewer, Jesse Bodine, Carol Rosenthal, Josh Bocian, Jordan Barowitz,

Eva Durst

Date: 12/12/2012

Re: Durst W57 Project

A meeting was held on Friday, November 16, 2012 between representatives of Manhattan Community Board 4 (MCB4) and representatives for Durst-Fetner. This meeting was on revisions to the Durst W57 Project for W. 58<sup>th</sup> Street and the Mid-Block Access Drive (see attached design schematics).

#### W. 58th Street

MCB4 was very pleased with the revision, and although we are disappointed in the continued intransigence of Con Edison to work with developers and the community to better site their equipment, vaults, etc., we are very encouraged by the effort put into preventing W. 58<sup>th</sup> Street from becoming a "dead zone". We have a few further suggestions:

- 1). If possible, we would like to see more trees perhaps in front of the retail toward Eleventh Avenue and the loading area toward twelfth Avenue. If this is not possible, was believe the landscape designer should look into expanding the tree pits so plantings came be placed around the trees.
- 2). MCB4 is very please with expansion of the lobby at the mid-block area to be extending in front of the mechanical space where public art, etc. would be placed to liven up the space. We ask that this also be done with the mechanical space further east after the Con Edison space.
- 3) MCB4 is also very pleased of the decision to place lighting under the bay windows along W. 58<sup>th</sup> Street. This is a welcomed idea.

#### Mid-Block Access Drive

MCB4 was pleased with the revisions but believes there is still more to do be accomplished.

1). The space for cars in now down to 22 feet; this leaves 38 feet for pedestrians. We believe this is still too much and prevents the space from being used by the public. It was represented that the need for the 22 feet is too allows cars to stop and drop-off and others to get around them and not have cars back up on to W. 57<sup>th</sup> Street and cause disruption. We understand this concern but believe that it be

better accomplished by either i). having a space for cars to pull over and drop off and not an entire 22 feet space from W. 57<sup>th</sup> to W. 58<sup>th</sup> Street or else having the space 22 feet for cars up to the parking access and residential lobby but then making it a standard one lane after that since there will be no dropping off after those points. These options allow more space for people.

- 2). The present set-up still looks too much like a driveway; just with trees and benches as the dividing line. We feel there should be more thought put into the landscaping design so this feels not just like a "green" driveway but more like a "green" open space for people that cars have defined access into and out of with as little disruption for all as possible.
- 3). MCB4 believes there should be a sign prominently displayed informing people this is a public open space. Attached is a picture of a sign used by Silverstein at their property on W. 42<sup>nd</sup> Street.
- 4). The entrance to the Mid-Block Access Drive will be on W. 57<sup>th</sup> Street and the exit will be on W. 58<sup>th</sup> Street. W. 57<sup>th</sup> Street is a four-lane two-way street. MCB4 has concerns that cars travelling east on W. 57<sup>th</sup> Street between Twelfth and Eleventh Avenues will be tempted to make an illegal left-hand turn into the Mid-Block Access Drive. We ask that further study be done to see how ways can be found to prevent this easily foreseeable problem.

# COREY JOHNSON

#### CITY OF NEW YORK

#### MANHATTAN COMMUNITY BOARD FOUR

330 West 42<sup>nd</sup> Street, 26<sup>th</sup> floor New York, NY 10036 tel: 212-736-4536 fax: 212-947-9512 www.nyc.gov/mcb4

ROBERT J. BENFATTO, JR., ESQ. District Manager

September 7, 2012

Amanda M. Burden, AICP Chair City Planning Commission 22 Reade Street New York, NY 10007

Re: ULURP Applications Nos. 120396 ZMM, 120397 ZSM, 120398 ZSM, and

M010151 ZSM

625 West 57th Street (Manhattan Block 1105, Lots 1, 5, 14, 19, 29, 36, and 43)

#### Dear Chair Burden:

Manhattan Community Board 4 ("CB4") has met several times with Durst Development LLC (the "Applicant") to discuss the Applicant's Uniform Land Use Review Procedure ("ULURP") applications to facilitate the development of a portion of the block bounded by West 57<sup>th</sup> and West 58<sup>th</sup> Streets, between Eleventh and Twelfth Avenues in Manhattan with the construction of a new, mixed residential, commercial, community facility, and parking uses (the "Project"). The Applicant is proposing up to 753 residential units — twenty percent (or up to 151) of which would be affordable units — approximately 714,000 square feet of residential space, 48,000 square feet of ground floor retail space, and 285 accessory parking spaces.

At the July 24, 2012, Clinton/Hell's Kitchen Land Use ("C/HKLU") Committee meeting, the Applicant heard, once again, the Committee's concerns and subsequent call for a number of changes to the Project, the most critical concern being the lack of permanently affordable housing units. While the Board would like to see this Project proceed, it cannot recommend approval for this application unless those concerns are substantially addressed. At this date, they have not been addressed to the Board's satisfaction.

Therefore, CB4 <u>recommends denial</u> of the application, <u>unless the affordable housing</u> <u>units are permanently affordable and the concerns enumerated below are addressed to the Board's satisfaction</u>.

#### **Proposed Actions**

The block the Project is located on is currently zoned partially M1-5 and partially C4-7. The proposed actions include rezoning the midblock portion of the block that faces West 58<sup>th</sup> Street from an M1-5 manufacturing district to a C6-2 commercial district which would allow for residential development at the site. Additionally, the Applicant is

requesting special permits for bulk modifications available to large-scale general developments and modifications of previously approved restrictive declarations in order to facilitate the innovative building form proposed for the Project.

The proposed rezoning and special permits will greatly benefit the Applicant by unlocking hundreds-of-thousands of square feet for residential development. Such a great private benefit must be matched by a comparable public benefit and in the Board's view the public benefit is not commensurate with the private boon. An innovative design alone is not a significant enough community benefit.

#### No Permanent Affordable Housing

The Applicant proposes to construct up to 753 residential units, twenty percent of which, or up to 151 units, would be affordable under the New York State Housing Finance Agency's 80/20 program. The Applicant will seek a 421-a tax exemption to reduce the real estate taxes for the Project. The Applicant has stated that the 20% of the units that are affordable will only remain affordable for the life of the bond, 35 years plus 15 years of attrition.

CB4 is pleased the Applicant has agreed that the affordable apartments will be distributed proportionately throughout the building and that fixtures and amenities will be the same in all apartments, affordable and market-rate. The Board also hopes the Applicant will provide reduced rates to the tenants in the affordable apartments for building amenities that charge fees, such as an exercise center.

While these 151 affordable units are a welcome benefit to the community (and provide a tax-exempt financing benefit to the Applicant) unless the units are permanently affordable, the benefit to this community will not be a lasting one. It has been a long time since this Board has been presented with a project that was not permanently affordable—the rezonings of West Chelsea, Eleventh Avenue, and Hudson Yards among others have all provided for permanent affordable housing as an integral part of the zoning.

The position of this Board is clear: we want and need – permanently affordable housing. Without permanently affordable units, Community District 4 cannot maintain its mixed-income residential character. It should be noted that the Project is located within the northwest boundary of the Special Clinton District, whose goals as specified by City Planning Commission include:

"to preserve and strengthen the residential character of the community;" and,

"to permit rehabilitation and new construction within the area in character with the existing scale of the community and at rental levels which will not substantially alter the mixture of income groups presently residing in the area."

The residential and mixed income character of Clinton will neither be preserved nor strengthened without permanent affordability for a portion of its new housing stock.

#### Cars, 385. Humans, 0

The Project offers no open space for the community but would include 385 parking spaces, significantly fewer, the Board is happy to note, than the 638 parking spaces previously approved for the Project block. These spaces would include a new, abovegrade, 285-space accessory parking garage in the mixed-use building and the 100 accessory parking spaces currently located beneath the Helena.

The proposed garage would be located in an area on the Project block that is near the 399-space public parking garage approved under the previous special permit (ULURP #C010149 ZSM). The proposed garage would be accessed via a 25-foot wide curb cut on West 58<sup>th</sup> Street (instead of West 57<sup>th</sup> Street) located approximately 350 feet east of Twelfth Avenue. The Applicant would surrender the prior parking garage approval upon approval of the special permit for the proposed garage.

While CB4 appreciates that the Applicant has reduced its proposed accessory parking spaces, we remain concerned that the number of proposed parking spaces far exceeds the Manhattan Core Parking requirements for residential and mixed use developments south of 60<sup>th</sup> Street, which allow parking spaces provided they do not exceed 20% of the apartments and one parking space per 4,000 square feet of retail/community facility space—and in any case not to exceed 200 spaces. We thus propose the developer reduce the number of parking spaces to 163 spaces (151 spaces for 20% of the residential apartments plus 12 spaces for 48,000 square feet of retail/community facility space).

Community Board 4 is pleased that the Applicant has agreed to restrict its parking to accessory parking for the tenants, retail businesses, and community facility and that this guarantee will be enforced by the Applicant for any third party garage operators that it may contract with.

#### **Driveway versus Open Space**

As part of the Project, the 23 foot curb cut currently providing access to the accessory parking garage located beneath the Helena, which is located approximately 220 feet west of Eleventh Avenue, would be removed. The existing accessory parking beneath the Helena would instead be accessed via a one-way (north), access drive connecting West 57<sup>th</sup> and 58<sup>th</sup> Streets. This access drive would be located approximately 250 feet west of Eleventh Avenue and would include 25 foot curb cuts at each end of the drive.

As the Project proposes to add over 750 new residential units to the neighborhood while providing no public open space, the Board suggests that the driveway become a public passageway rather than an exclusive private driveway. The roadway of the access drive should be reduced in width by half and this recouped space should be devoted to an inviting public space, enhanced by seating and plantings.

#### **Community Facility**

The Applicant proposes construction of a two-story community facility building in the

midblock portion of the Project site. The community facility would be located along West 58<sup>th</sup> Street, abutting the Helena to the south and the Edison Storage Building to the east. Entrance to the building would be off of West 58<sup>th</sup> Street along an angled, recessed façade east of the mid-block access drive. The building would include up to approximately 12,800 square feet and could include such uses as a museum annex, cultural facility, day care facility or medical offices.

The Board would welcome a museum annex, cultural facility, or a day care facility in the two floors of the proposed community facility. Currently, the Applicant is pursuing a day care facility but as of the date of this letter, no commitment for such use has been obtained. The Board requests the Applicant provide the Board with a written commitment of use when such is obtained.

#### Enlivening West 58th Street

Along the north side of the West 58<sup>th</sup> block is the Con Ed Power Station, a monumental building designed by Stanford White — an architect whose buildings have become *truly* iconic. The edifice, with its elaborately detailed Renaissance Revival facade, was built in 1904 and stands as a reminder that civic buildings in the City once aspired to greatness.

This Board has expressed its wish that the Project building recognize its adjacency to this remarkable New York building and ensure that West 58<sup>th</sup> Street not become an uninviting alleyway whose only purpose is to service the Project's mechanical and maintenance requirements. While the Applicant hopes to wrap retail space from Twelfth Avenue around the western end of West 58<sup>th</sup> Street, at the moment, the remainder of the south side of the West 58<sup>th</sup> Street is taken up with mechanical features, the parking driveway, and loading/unloading docks for the Project building. While the Applicant agrees that a more vibrant street would be desirable, helped perhaps by more retail space, as of this date, the Board has yet to be shown how this can be accomplished.

This Board is grateful for the Applicant's willingness to engage the community and listen to our concerns and would like to see this project succeed, both for the Applicant and for the community. In the Board's view, however, it can only succeed for the community if the word "permanently" precedes the term "affordable housing".

NOW, therefore, be it resolved that Manhattan Community Board No. 4 recommends denial of ULURP Applications No. 120396ZMM, 120397ZSM, 120398ZSM, M010151BZSM unless a restrictive declaration be filed that requires that 20% of the units developed be affordable in perpetuity.

Should the condition requiring permanent affordability be met, CB4 <u>also recommends</u> denial unless:

The Applicant surrender the prior public parking garage previously approved for 399 spaces (ULURP No. C010149ZSM) upon approval of the proposed garage Special Permit for accessory parking spaces;

The number of parking spaces is reduced to 163 spaces;

The driveway be reduced substantially in width, perhaps by half, with the other half devoted to an inviting public space, enhanced by seating and plantings;

The frontage along West 58<sup>th</sup> Street is enlivened and welcoming to pedestrians and that the square footage devoted to mechanicals and/or parking is significantly reduced; and

The Applicant works with CB4 to identify the proposed user for the community facility space.

Sincerely,

SA

Corey Johnson, Chair

Manhattan Community Board 4

\_\_\_\_

Jean-Daniel Noland, Chair Clinton/Hell's Kitchen Land Use Committee

cc: DCP Calendar Office

DCP - Edith Hsu-Chen

Council Member Gale Brewer

Durst Organization - Helena Durst, Eva Durst, Jordan Barowitz

Fried Frank - Stephen Lefkowitz, Carol Rosenthal

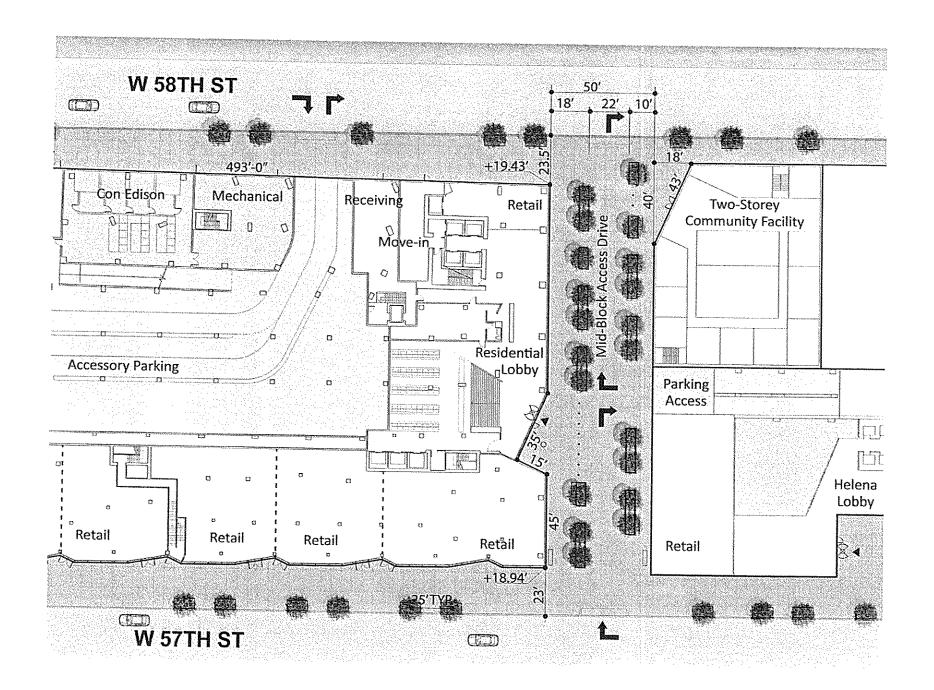
Manatt - Claudia Wagner, Joshua Bocian

MBPO - Brian Cook, Karolina Grebowiec-Hall

Assembly Member Linda Rosenthal

State Senator Thomas Duane

Congressman Jerrold Nadler



Testimony for City Council Subcommittee on Zoning and Franchises Public Hearing re: Durst Pyramid

City Planning Commissioners,

Remember the *Twilight Zone* episode where a lieutenant realizes that he can predict which of his soldiers is going to die in battle by seeing a mysterious light flash across the doomed man's face? Well, it doesn't take any supernatural powers to predict that the 150 units of affordable housing in the 57th Street Durst pyramid will see their demise in 35 years -- if CB4 and the city doesn't take timely action to prevent it. And starting in 2017, so will more than 169,561 other units of affordable housing built citywide after 1987. This figure comes from the Association for Neighborhood and Housing Development's 2010 report, *A Permanent Problem Requires a Permanent Solution*, http://www.anhd.org/resources/APermanentProblemRequiresaPermanentSolution.pdf, which warns that New York City is scheduled to suffer a "looming expiring use crisis" when subsidies to developments built with 80/20 requirements start to run out. (See Figure 2 below.)

We don't have to look terribly hard to see that mysterious death light flash over Hell's Kitchen and Chelsea's stock of affordable housing. According to NYU's Furman Center for Real Estate and Urban Policy's statistics for 2009, 1 out of 4 of CB4's residents (25%) owned their own apartments, with the average apartment selling for \$1,091,250. The same year, half of those who lived in the 'hood (50.9%) were staying in rent regulated housing, and another 1 out of 5 (19.5%) lived in "public and subsidized units." More detailed analysis suggests where many of the "subsidized units" come from. When it comes to "affordability restrictions" (like 80/20's) imposed on developers who accept city subsidies or variances, *CB4 ranks Number 1 in all of Manhattan*, with 5,955 units of housing covered. (See Figure 1.)

What will happen to Chelsea and Hell's Kitchen when these units revert to market prices? Just look at Mitchell-Lama housing. As with the 80/20 program, the 1955 Mitchell-Lama law offered owners and landlords tax breaks and favorable loan terms in return for keeping rents within the range of low- and middle-income residents. Once they finished paying off these loans, however, many developers tried to charge tenants market rates. According to a 2007 article in *City Limits* (http://www.citylimits.org/news/articles/3296/what-is-happening-br-to-mitchell-lama), "From 1990 to 2005, the stock of Mitchell-Lama rental housing in the city went from about 67,000 apartments to about 44,000 apartments, a loss of about 23,000 apartments... Overall from 1990 to 2006, more than 60 rental developments have come out of the program, and the annual loss of rental units has topped 3,000 apartments every year from 2004 on." In 1986, State Senator MacNeil Mitchell, the "Mitchell" after whom the Mitchell-Lama laws were first named, regretted that the "Legislature never intended to convert the developments to private ownership. In hindsight, we should have looked at what would happen in the future. Frankly, we didn't give it much thought."

Thankfully, there's still time to make sure that the sort of 80/20 programs that are designed to keep housing affordable today will continue to do so in thirty years. Making affordability restrictions permanent on hugely profitable developments like Durst's pyramid will be an overdue first step in this direction.

Yours truly,

Richard Brender

Figure 1 -- Data on number of units with affordability restrictions broken down by Manhattan CB. Definition of Affordability Restrictions is whenever "Private owners receive financing or a subsidy which then requires them to maintain their property as affordable for a fixed period of time. This is whether the property is currently receiving such subsidies"

Rental/Coop (Tenure)	CD	Affordability Restrictions	Total Properties	Total Buildings	Total Units
Coop	MN01: Financial District	Affordable	1	9	1,651
Coop	MN02: Greenwich Village/Soho	Affordable	1	1	175
Coop	MN03: Lower East Side/Chinatown	Affordable	5	21	4,315
Соор	MN04: Clinton/Chelsea	Affordable	1	10	2,820
Соор	MN06: Stuyvesant Town/Turtle Bay	Affordable	1	6	168
Соор	MN07: Upper West Side	Affordable	6	7	1,192
Coop	MN08: Upper East Side	Affordable	4	5	1,205
Соор	MN10: Central Harlem	Affordable	2	7	2,031
Соор	MN11: East Harlem	Affordable	3	22	3,852
Coop	MN12: Washington Heights/Inwood	Affordable	2	3	649
Rental	MN01: Financial District	Affordable	3	3	860
Rental	MN02: Greenwich Village/Soho	Affordable	1	1	148
Rental	MN03: Lower East	Affordable	30	54	2,286

Rental/Coop (Tenure)	CD	Affordability Restrictions	Total Properties	Total Buildings	Total Units
	Side/Chinatown				
Rental	MN04: Clinton/Chelsea	Affordable	27	34	5,955
Rental	MN05: Midtown	Affordable	12	13	3,815
Rental	MN06: Stuyvesant Town/Turtle Bay	Affordable	7	7	1,557
Rental	MN07: Upper West Side	Affordable	31	41	5,274
Rental	MN08: Upper East Side	Affordable	12	14	2,607
Rental	MN09: Morningside Heights/Hamilton	Affordable	54	102	1,747

Source: <a href="http://datasearch.furmancenter.org/">http://datasearch.furmancenter.org/</a>

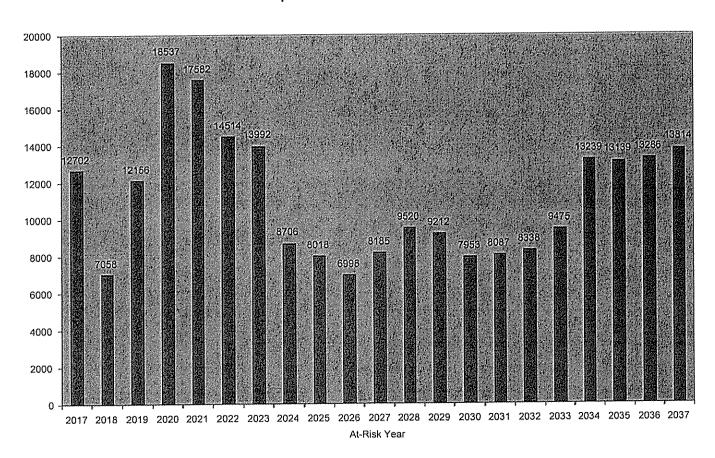
Figure 2 -- [CLICK ON LINK, AND GO TO APPENDIX B]

Source:

http://www.anhd.org/resources/APermanentProblemRequiresaPermanentSolution.pdf

#### **APPENDIX B**

### The Expiration Timeline



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