

THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

L.U. Nos. 326, 327, 328

461 Alabama Avenue SHLP
4th Amended East New York I URP

January 30, 2019

{Barron} **L. U. Nos. 326, 327 and 328** are related ULURP actions seeking UDAAP designation, disposition and project approval, as well as a zoning special permit and an urban renewal plan amendment in order to develop a project located at **Block 3803, Lot 6** in Brooklyn Council District 42.

Known as **461 Alabama Avenue**, the project will be developed under HPD's Supportive Housing Loan Program (SHLP). Through this program, HPD funds the creation of rental units that provide supportive housing for the homeless, people with special needs, and other persons of low income. As part of the program, HPD works with the Department of Homeless Services and other public agencies to ensure that the completed projects receive appropriate building security and social services.

The project site is a 10,000 sq. ft., vacant, City-owned site that was part of an HPD-issued Request for Qualifications geared towards certified M/WBE organizations, inviting them to submit proposals to develop low-income rental housing. HPD selected the development team of CB Emmanuel Realty LLC/Services for the UnderServed (SUS) in 2017 to develop the site as supportive housing with on-site services.

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Before ULURP certification, the Sponsor met with Councilmember Barron's office three times in 2017, and most recently in October, 2018. In response to her feedback, as well as input from Brooklyn Community Board 5, the Sponsor and HPD worked together to update the project to include multifamily units, a wider range of affordability tiers, and additional energy-efficient design features such as solar panels.

L. U. No 327 (C190038HAK) seeks UDAAP designation, project approval and disposition of the site. The Sponsor is proposing to construct a 7-story building with 70 rental units, plus a unit for a superintendent. As is typical of the supportive housing program, 60% of the units (43) will be reserved for formerly homeless individuals, while 40% of the units (27) will be non-supportive units that will be available through HPD lottery. There will be a mixture of unit types including 55 studios, 14 one-bedrooms, and two two-bedroom apartments. Targeted incomes for the affordable units will range from 40% to 60% of AMI, and all tenants, including formerly homeless tenants, will pay up to 30% of their income in rent.

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The proposed development will participate in the Enterprise Green Communities Program. Therefore, the design will incorporate sustainable features that conserve energy, reduce environmental impacts, and promote residents' health. Amenities will include a lounge and multi-purpose room, tenant storage, a laundry room, and an outdoor landscaped courtyard.

The estimated total development cost is \$28,132,000, which is subject to change. The permanent funding sources include HDC long-term bonds, an HDC second mortgage (together an estimated 29% of TDC), tax credit equity (estimated 42% of TDC), accrued and deferred construction interest, a deferred developer fee, and an HPD SHLP loan. The City subsidies are approximately \$6,185,000, or 22% of TDC. The project has 43 NYC 15/15 Rental Assistance vouchers to support rents for the supportive units. It will receive an as-of-right tax exemption under 420-C. Please note that this budget is preliminary and subject to change as the project moves closer to closing.

The onsite social services will be provided by Services for the UnderServed (SUS), to include recovery-oriented case management for residents, daily life skills

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training, employment services, social/recreational/cultural activities, substance abuse services, and 24/7 front desk security.

The following actions are necessary for the development of the project:

L.U. No 326 (C 190037 ZSK) seeks a special permit of the Zoning Resolution in order to modify the maximum floor area ratio for certain community facility uses.

The modification will apply to a non-profit institution with sleeping accommodations in order to enable construction of the proposed development.

L.U. No 327 (C190038HAK) as mentioned above, seeks UDAAP designation, project approval and disposition of the site.

L.U. No 328 (C 190039 HUK) seeks approval of the fourth amended East New York I Urban Renewal Plan, which will change the land use designation of 461 Alabama Avenue (Block 3803, Lot 6) from open space to residential use.

HPD is before the Council's Planning Subcommittee seeking approval of **L. U.**

Nos. 326, 327, 328 in order to move forward with the next steps in the development process for the 461 Alabama Avenue supportive housing project.

461 Alabama Avenue Presentation to Subcommittee on Planning, Dispositions, and Concessions

January 30, 2019



Introduction & Proposed Land Use Actions

- **Development Team Designation:** Team was designated in January 2017 under the M/WBE RFP
- **Certified:** August 20, 2018
- **Applicant:** NYC Department of Housing Preservation and Development
- **Sponsor:** CB Emmanuel Realty LLC and Services for the UnderServed
- **Land Use Actions:**
 - UDAAP Designation, Project Approval and Disposition
 - Special Permit
 - Urban Renewal Plan Amendment

Introduction

CB Emmanuel Realty LLC

- Mission driven for-profit developer founded in 2005.
- CB has developed ~2,300 units with combined Total Development Costs of \$394MM+.
- Awarded this site through a Minority and Women-owned Business Enterprise (M/WBE) initiative to build capacity among M/WBE developers.
- Co-own portfolio on the same block as project site (446 – 476 Georgia Avenue and 441-446 Alabama Avenue)

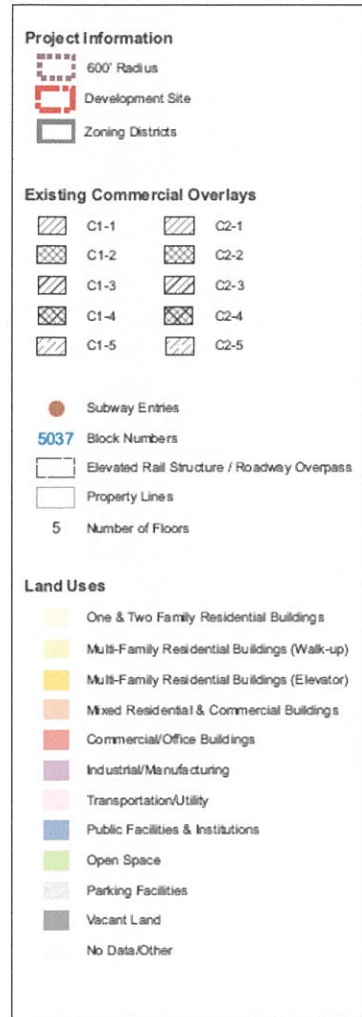


CB EMMANUEL
Realty, LLC

Project Site and Site Context

Area Map

461 Alabama Avenue, Brooklyn
Block 3803, Lot 6



Project Site and Site Context (cont'd)

- 10,000 SF lot located between Dumont and Livonia Avenues
- Subway access at Pennsylvania Ave (3) and Livonia Ave (L)
- Buildings of comparable height located within one block radius
- Nearby open spaces include:
 - ENY Success Garden
 - Lion's Pride Playground
 - Martin Luther King Jr Playground



Community Engagement Before ULURP Certification

- Met with Councilmember Barron's office on March 13, July 6, and December 6, 2017
- Community Board 5 outreach
 - Met with CB5 Land Use Committee: April 24, 2018
 - CB5 Board Members provided a letter of support dated May 24, 2018

Community Engagement

- Community engagement resulted in:
 - Inclusion of multifamily units from an all studio project
 - Inclusion of a wider range of affordability tiers
 - Inclusion of additional energy-efficient design features such as solar panels
 - CBE to provide an annual donation of greenery and plantings to Success Garden
 - S:US to use reasonable efforts to employ community members at the property. These efforts would include, at a minimum,
 - holding a job and community fair at a location convenient to community members
 - publicizing the availability of jobs at the offices of the councilmember and community board
 - CBE to allow community groups to host meetings in the building's community rooms to the extent the meetings do not interfere with scheduled events or services provided to the residents.

Proposed Program

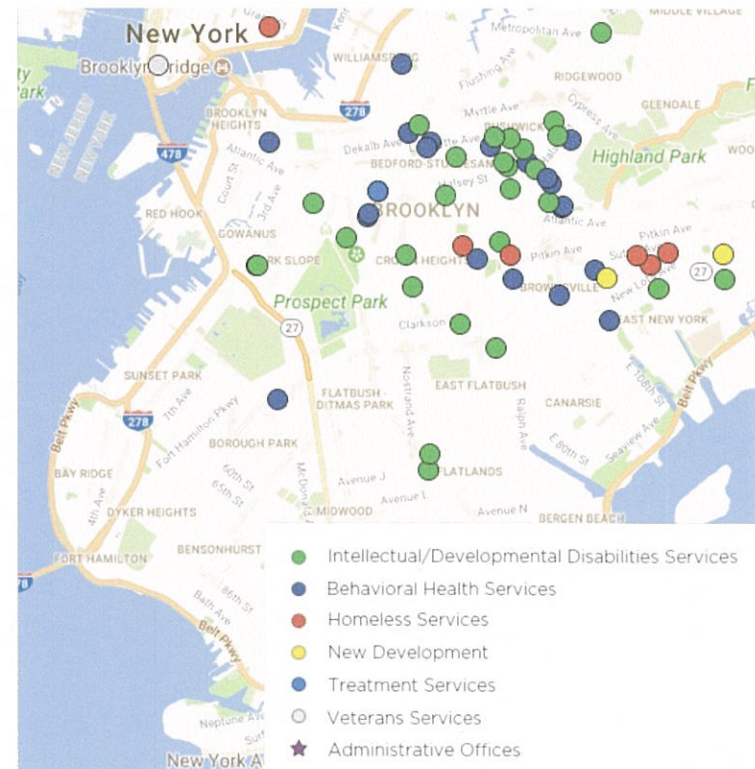
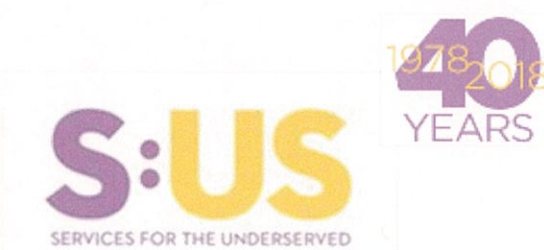
Unit Mix						
	Homeless/ Supportive < 30% AMI	Affordable*			Super	Total
		40% AMI	50% AMI	60% AMI		
Studio	43	3	3	6		55
1BR		2	3	8	1	14
2BR				2		2
Total	43	5	6	16	1	71

*Affordable units will be marketed through HPD Housing Connect and in accordance with HPD Marketing Guidelines

Project was previously presented as only having 60% AMI units. This proposed program creates 40% AMI units and 50% AMI units to serve broader range of households.

Service Provider – Services for the UnderServed

- Founded in 1978, 501(c)3 provides \$200M in services to over 35,000 individuals, including over 6,000 individuals and their families in Brooklyn.
- Workforce of 2,400 is one of NYC's largest social service agencies.
 - Over 800 S:US staff work in Brooklyn and over 700 staff live in the borough
 - 130 of S:US employees live in CB 5
- Operates in 120 buildings, 70 owned with 300 LIHTC units in construction.
- Treats the “whole person”
 - Persons with mental illness and/or substance use disorder
 - Persons with intellectual and/or developmental disabilities
 - Person experiencing homelessness
 - Persons with HIV/AIDS

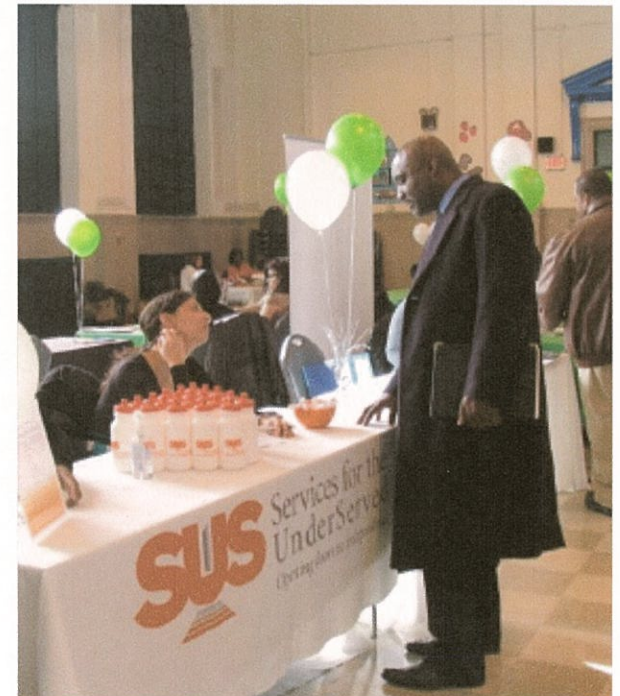


Services

Supportive housing is proven to keep formerly homeless individuals stably housed through wrap-around services located onsite.

Services offered will include:

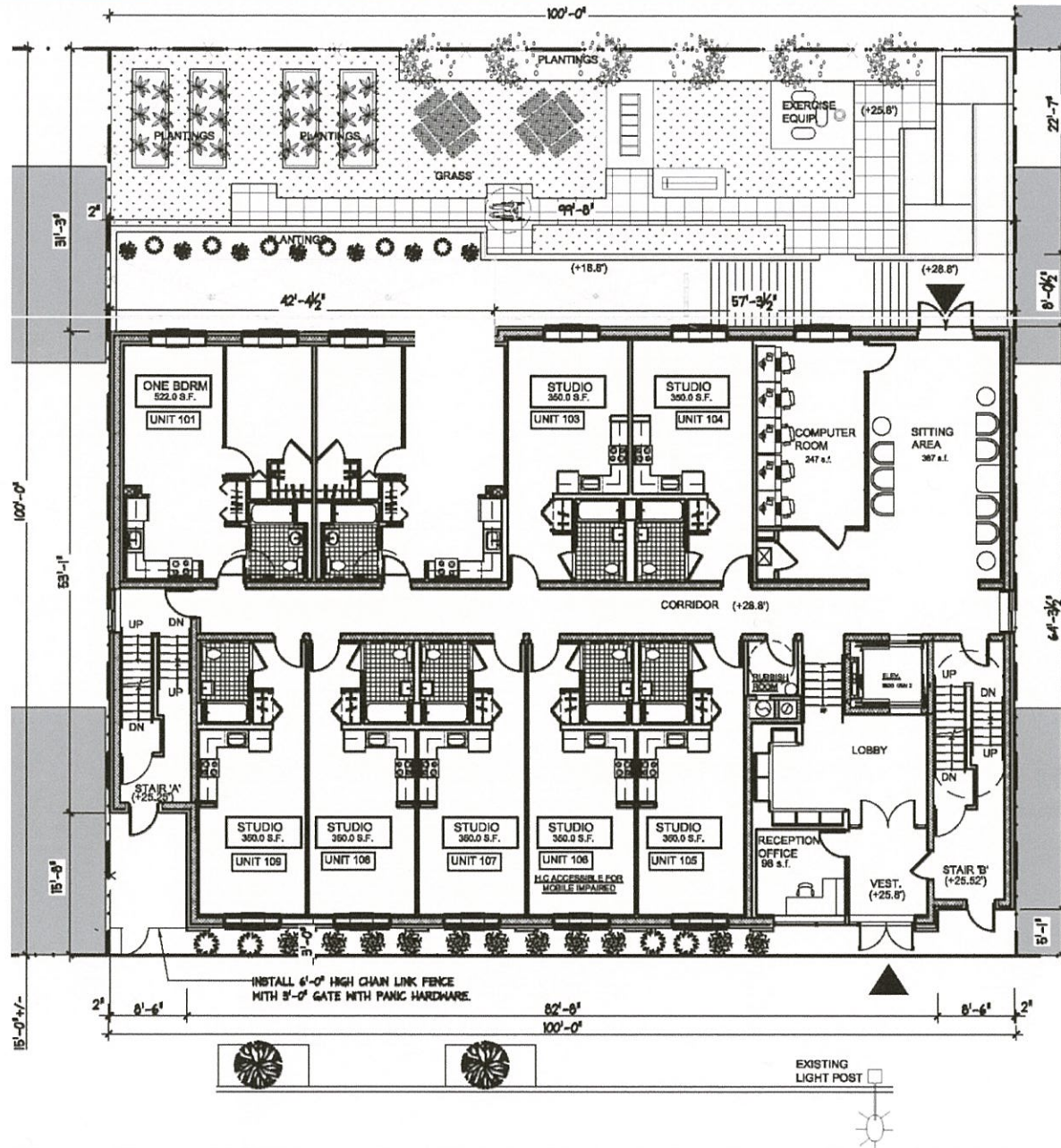
- Recovery oriented case management
- Wellness Self Management (WSM) and Daily Life Skills Training
- Employment Services
- Social/Recreation/Cultural Activities
- Integrated Dual Disorder Treatment, Substance Abuse Services
- 24/7 Front Desk Security and Staff Availability
- Therapeutic Horticulture



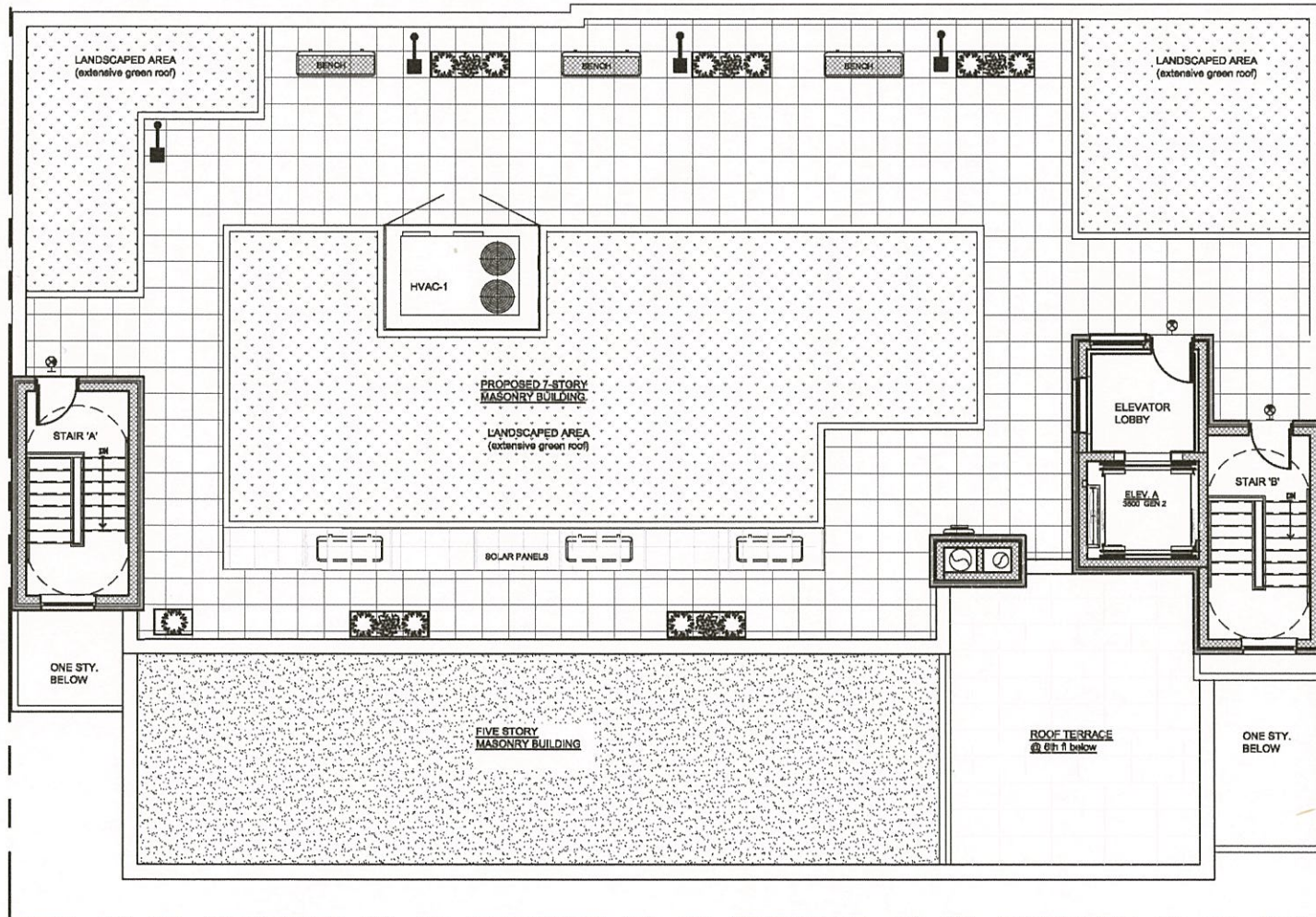
Building Design – Rendering



Building Design – First Floor Layout



Building Design – Roof Plan



Project Timeline

- ULURP – Application certified on August 20, 2018
 - Community Board 5 issued recommendation to approve the project: October 17, 2018
 - Borough President issued recommendation to approve the project with modifications/conditions: November 22, 2018
 - City Planning Commission approved the project on January 9, 2019
 - City Council Review (50 days)
 - Mayoral Review (5 days)
- Anticipated Construction Closing – December 2019
- Construction Completion – approx. December 2021

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L.U. 329

East Village ANCP ULURP

January 30, 2019

(Rivera) L. U. No. 329 (C190069HAM) is related to the proposed ULURP action for a project known as **East Village Housing**. This ULURP action seeks urban development action area designation, disposition and project approval for a development site consisting of two (2) City-owned buildings located at **204 Avenue A** (Block 406, Lot 6) and **535 East 12 Street** (Block 406, Lot 47) in Manhattan Council District 2 that will be redeveloped under HPD's Affordable Neighborhood Cooperative Program (ANCP).

As part of the ANCP program guidelines, city-owned multiple dwellings are conveyed to Restoring Communities HDFC for \$1.00 per tax lot and then rehabilitated by private developers selected through a competitive process to create affordable cooperatives for low and moderate-income households. The developer 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 newly formed cooperative HDFC. 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*).

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L.U. 329

East Village ANCP ULURP

January 30, 2019

The two buildings under L. U. No. 329 are multiple dwellings taken into City ownership in the late 1970s. In the early 2000s the buildings entered into the Tenant Interim Lease Program (TIL) which required the tenants to form Tenant Associations to self-manage their buildings and collect rents under a Net Lease agreement with the HPD. Both buildings were vacated due to structural integrity, so they are currently empty.

Generally, buildings in ANCP undergo substantial rehabilitation. However, in this case the buildings will be demolished and in their place, the developer (SMJ Development/Juan Barahona) will construct two new buildings, thus requiring ULURP. As a result of working with the occupants and Council, HPD and the developer agreed that 204 Avenue A will become a fully cooperative building, and the prior occupants will be return. 535 East 12 Street will remain a rental under the ownership of the developer.

The cooperative building at 204 Avenue A will be a seven story building with 8 one –bedrooms and two-bedrooms and one commercial space. The cooperative interest attributable to occupied apartments will be sold to existing tenants for \$2,500 per apartment. Anticipated income targets for this building will be no less

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L.U. 329

East Village ANCP ULURP

January 30, 2019

than 80% of AMI \$62,640 for a one-bedroom) and the initial maintenance for existing tenants/shareholders will be at 40% of AMI. Therefore, maintenance for a 1 bedroom apartment will be \$786 and \$958 for a 2 bedroom apartment.

Plans for the commercial unit have yet to be determined.

The rental building at 535 East 12 Street will be a six-story building with 1 studio and 10 one-bedroom apartments (no super's unit.). Anticipated income targets will be up to 140% of AMI (\$109,620 for one-bedroom) with initial rents at 130% which is approximately \$2,301 for a studio and \$2,469 for a 1-bedroom.

Both buildings will be fully accessible.

The estimated total development cost for the new construction is \$14,226,128 which is subject to change. Funding sources includes \$10,819,557 in City subsidies which represents about 76% of the TDC.

L. U. No. also seeks approval of Article XI tax benefits for 204 Avenue A and 535 East 12 Street for 40 years that will coincide with the term of the Regulatory Agreement. The cumulative value totals approximately \$6,369,526 and the net present value is \$1,779,462.

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L.U. 329

East Village ANCP ULURP

January 30, 2019

H.P.D is excited to move this project forward after extensive collaboration with both former Council Member Mendez and current Council Member Rivera. As with many ANCP projects, the financial crisis in 2008, and problems with lending for homeownership as a result, stalled this project, and we're glad to be on track, without further delays.

In order to facilitate construction of the East Village Housing ANCP project, HPD is before the Council seeking approval of) L. U. No. 329.

East Village Housing 204 Avenue A & 535 East 12th Street: City Council ULURP Presentation



January 30, 2019

ULURP #190069HAM

Development Team

- SMJ Development (MBE)
 - Juan Barahona (646) 644-0449
- Shakespeare Gordon Vlado Architects (WBE)
- Restoring Communities HDFC

ULURP Actions

- Land Use Actions
 - UDAAP Designation & Project Approval
 - Disposition of City-Owned Property

Existing Conditions

- City Owned since 1970's
- Vacated & boarded up since 2008 (tenants have been relocated)
- Avenue A: R7A/C2-5; East 12th: R8B

Buildings will be demolished after disposition to Sponsor



204 Avenue A (left) and 535 East 12th Street (right)

Development Program

204 Avenue A

- 7 story building
- Approximately 68 feet in height
- 10 cooperative units for former tenants
- Ground floor commercial tenant
- Roof top recreational space

535 East 12th Street

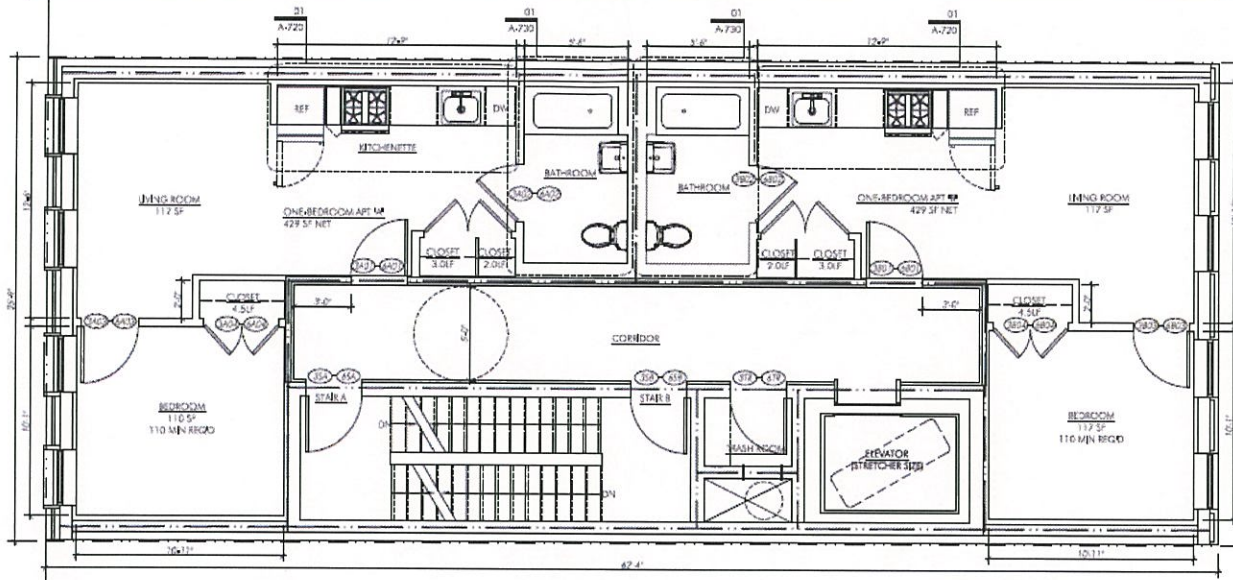
- 6 story building
- Approximately 60 feet in height
- 11 rental units

Relocation and Purchase of Unit

- **204 Avenue A**
 - Unit Purchase Requirements and Income Restrictions
 - Training Requirements
 - Maintenance (at 40% AMI)

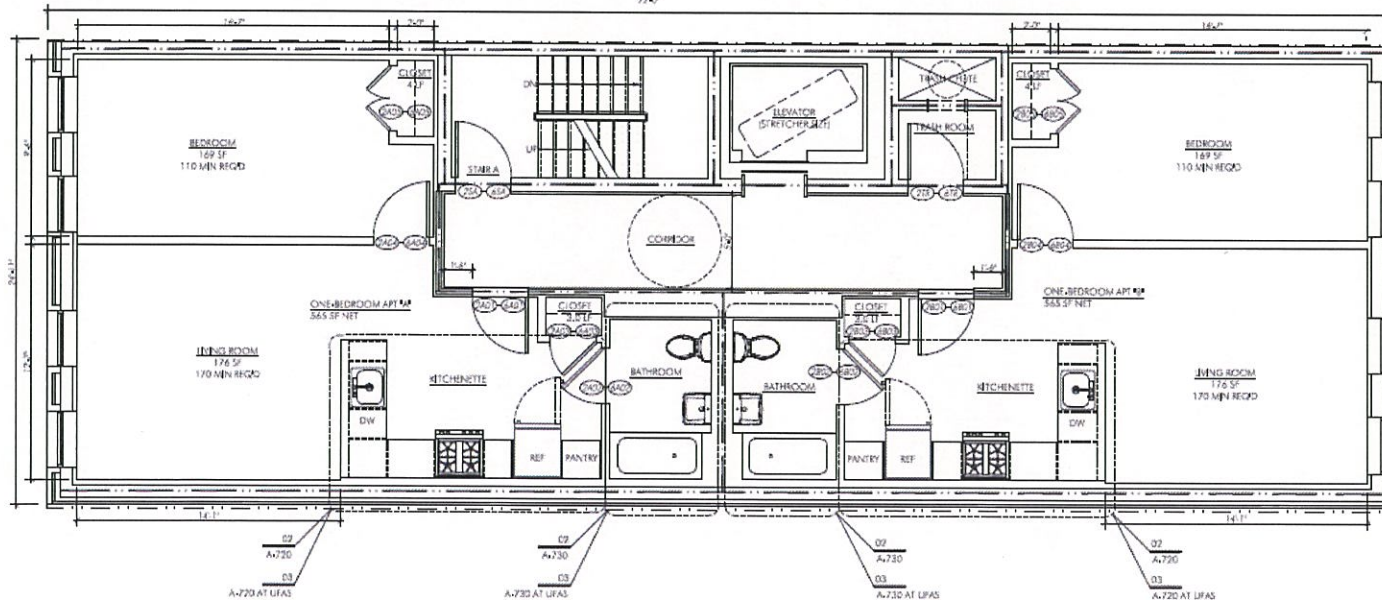
- **535 East 12th Street**
 - Middle Income Rental (130% AMI rents)
 - HPD Marketing

Proposed Project



204 Avenue A

Typical Floors 3 - 6 layout



535 East 12th Street

Typical Floor 2 - 6 layout

East Village Housing 204 Avenue A & 535 East 12th Street: Q&A



January 30, 2019

ULURP #190069HAM

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

329

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

Date: 1/30/2019

(PLEASE PRINT)

Name: Jim Barham

Address: 625 6 Avenue

I represent: SMS Development

Address: _____

**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: 1-30-18

(PLEASE PRINT)

Name: Kevin Parris

Address: 100 Gold St

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 326-328 Res. No. _____
 in favor in opposition

Date: 10/30

(PLEASE PRINT)

Name: Theresa Cascano

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 326-328 Res. No. _____

in favor in opposition

Date: 10/30

(PLEASE PRINT)

Name: Jesse Schwartz

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 326-328 Res. No. _____

in favor in opposition

Date: 10/30

(PLEASE PRINT)

Name: Lacey Tauber

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 1/30

(PLEASE PRINT)

Name: Genevieve Michel

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 1/30

(PLEASE PRINT)

Name: CHRISTINE RETZLAFF

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. 326-328 Res. No. _____

in favor in opposition

Date: 1/30/19

(PLEASE PRINT)

Name: ARLO CHASE

Address: 463 7th Ave, 17th Floor

I represent: SERVICES FOR THE UNDERSEA

Address: 463 7th Ave, 17th Floor

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

L.O.
326-328

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

in favor in opposition

Date: 1.30.2019

(PLEASE PRINT)

Name: BRIAN NEWMAN

Address: 210 W. ROGUES PATH, COLD SPRING HILLS, NY 11743

I represent: _____

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. 326-328 Res. No. _____

in favor in opposition

Date: 1/30/19

(PLEASE PRINT)

Name: MARGARITA PASARO

Address: 221-10 JAMAICA AVE QUEENS VILLAGE

I represent: CB EMMANUEL REALTY NY 1142

Address: 221-10 JAMAICA AVE QNS. NY 11428

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