

Brooklyn Borough President Recommendation

CITY PLANNING COMMISSION
22 Reade Street, New York, NY 10007
FAX # (212) 720-3356

INSTRUCTIONS

1. Return this completed form with any attachments to the Calendar Information Office, City Planning Commission, Room 2E at the above address.

2. Send one copy with any attachments to the applicant's representatives as indicated on the Notice of Certification.

APPLICATION #: 090225 ZMK

Carroll Street Rezoning

In the matter an application submitted by the Center for Negative Thinking LLC pursuant to Sections 197-c and 201 of the New York City Charter for an amendment of the zoning Map, changing from an M1-1 District to an R6B District property bounded by a line 100 feet southwesterly of President Street, a line 240 feet northwesterly of Columbia Street, Carroll Street, and a line 375 feet northwesterly of Columbia Street.

COMMUNITY DISTRICT NO. 6

BOROUGH OF BROOKLYN

RECOMMENDATION

APPROVE

DISAPPROVE

APPROVE WITH
MODIFICATIONS/CONDITIONS

DISAPPROVE WITH
MODIFICATIONS/CONDITIONS

Recommendation report on following pages



BOROUGH PRESIDENT

February 2, 2011

DATE

**RECOMMENDATION FOR THE PROPOSED AMENDMENT TO THE
ZONING MAP
090225 ZMK**

PUBLIC HEARING

On January 5, 2011, the borough president held a hearing on this matter.

The applicant and his representative were the sole speakers. In response to the borough president's interest in facilitating affordable housing, the applicant noted being awarded seven sites by the Department of Housing Preservation and Development (HPD) for the development of affordable homeownership housing. In good faith, the applicant has spent as much as \$400,000 on plans and environmental analysis towards developing 34-units on these seven sites primarily scattered along the Columbia Street corridor. Though, due to a lack of committed funding by HPD, these sites are not moving forward.

The applicant responded to the borough president's interest for maximizing job opportunities for Brooklynites by disclosing having a list of many local suppliers and sub-contractors that are used in the company's projects. Such contractors conveyed to the applicant that they are in need of projects and expressed a willingness to work with the applicant to resolve financing issues as a means to proceed with the intended development.

CONSIDERATION

CB 6 voted to approve this application on December 8, 2010

The borough president's policy is to support development that respects the context of the neighborhood. This site is on the edge between residential and non-residential uses. The western portion of the proposed rezoning became residential based on a recent variance granted by the Board of Standards and Appeals. The development of this property from a one-story warehouse with active manufacturing uses to a residential use is consistent with this change.

The borough president has concerns that this neighborhood has seen a rise in the price of housing that is increasingly beyond the means of area residents to afford to remain in this section of Brooklyn. It is the policy of the borough president to utilize the process of rezoning privately-owned land for residential development in order to provide opportunities for more affordable housing for neighborhood residents. The borough president is concerned that too many of the borough's residents leave because they can no longer afford to live in Brooklyn. Typically it is the borough president's policy for new residential developments subject to ULURP to typically provide a minimum of 20 percent affordable units for area residents and that such housing should remain "affordable forever."

Pursuant to the proposed rezoning, there would be no obligation to provide any affordable housing. With the increasing demand by Brooklyn residents for affordable housing, he believes every reasonable attempt should be made

to provide such housing. Though in this instance, the borough president believes that it is relevant to take into consideration the applicant's anticipated development of affordable housing on HPD sponsored sites pending land use actions. The applicant had been designated by HPD as the developer of its New Foundation initiative Red Hook/Park Slope cluster. These sites are intended for the development of 34-homeownership units of affordable housing. The borough president recognizes the demonstrated substantial financial commitment to proceed with development of affordable homeownership housing on these sites.

The applicant, in a letter to the borough president dated January 19, 2011, stated intent to memorialize the provision of such affordable housing within its development according to a legal instrument that would allow the units to remain in perpetuity as affordable housing and that for at least 20 percent of the units, to reduce the area median income (AMI) by not less than 20 percent of the AMI as compared to what was initially accepted by HPD.

The borough president fully appreciates the applicant's practices and intent regarding local participation in constructing buildings. He fully supports the proposed rezoning and looks forward to reviewing the land use actions that are pending filing by HPD as a means of facilitating the applicant's written commitments for the Red Hook/Park Slope cluster. He believes the applicant's expressed intent to reduce the level of affordability is commendable and the willingness to sell the affordable homes according to permanent affordability standards is praise-worthy.

The borough president calls on HPD to promptly initiate the disposition of the city-owned properties that constitute the Red Hook/Park Slope cluster and its related rezoning application. In doing so, the borough president is seeking for HPD to accommodate the applicant's written commitment to the borough president.

RECOMMENDATION

Be it resolved that the Brooklyn Borough President, pursuant to section 197-c of the New York City Charter, recommends the approval of these applications by the City Planning Commission and City Council.

Be it further resolved that HPD should promptly initiate the disposition of the city-owned properties that constitute the Red Hook/Park Slope cluster and its related rezoning application.

Columbia Street Partners, LLC

131 Union Street, Brooklyn, NY 11231
(718) 875-4599 Tel (718) 228-9595 Fax

January 19, 2011

Dear Borough President Markowitz:

On behalf of Columbia Street Partners LLC, the designated developer for the Department of Housing Preservation and Development's (HPD) New Foundation initiative Red Hook/Park Slope cluster, the entity is fully committed to participating with the HPD to memorialize in one or more legal instruments (such as a land disposition agreement) a means to meet your objectives regarding improving housing affordability and having affordable housing remain affordable for future generations.

My intent is to participate in one or more contractually binding appropriate instruments to ensure that the affordable housing for the above referenced cluster; 1) remains in perpetuity in a manner that guarantees that the development of affordable housing would be subject to resale according to the principles of permanent affordability; and, 2) has its Area Median Income (AMI) reduced on not less than twenty percent of the units by not less than twenty percent of the AMI when compared to the listed AMIs in the submission (enclosed) accepted by HPD.

I understand that such permanent affordable homeownership housing, known as "shared equity," provides the benefits of building wealth for the homeowner while assuring that the home remains an affordable housing resource when sold. Resale restrictions could be based on several existing models such as subsequent re-sales of the homeownership unit being indexed to standards as defined by the City's Inclusionary Housing Program (IHP) re-sale provisions of Zoning Resolution Section 23-913 and 23-962. Other methods include those highlighted by the Center for Housing Policy, including the Consumer Price Index. As part of establishing a permanent affordable homeownership housing obligation, it is my understanding that HPD would have to be willing to in essence recycle the initial subsidies by having no requirements to repay subsidies and land appraisal values as opposed to its traditional expiring lien.

In addition to entering into binding instrument, my firm, Columbia Street Partners LLC, would strongly consider working with one or more non-profit housing organizations to implement the sale of the affordable housing, both at the outset and as part of facilitating the permanent affordability of the units. This would also include a role in the marketing and screening of potential applicants.

Sincerely,



Marshall Sohne – Managing Member