APPLICATION #: DISPOSITION OF CITY-OWNED PROPERTY – 150339 PPK

The Department of Citywide Administrative Services (DCAS) is seeking disposition approval for two City-owned properties in the Bushwick neighborhood of Brooklyn in Community Board 4. DCAS intends to dispose of the two vacant properties pursuant to Section 384 of the New York City Charter.

COMMUNITY DISTRICT NO. 4

BOROUGH OF BROOKLYN

| □ APPROVE  | □ DISAPPROVE |
| □ APPROVE WITH MODIFICATIONS/CONDITIONS | □ DISAPPROVE WITH MODIFICATIONS/CONDITIONS |

SEE ATTACHED

September 23, 2015

BOROUGH PRESIDENT

DATE
RECOMMENDATION FOR THE DISPOSITION OF CITY-owned PROPERTY – 150339 PPK

The Department of Citywide Administrative Services (DCAS) is seeking disposition approval for two City-owned properties in the Bushwick neighborhood of Brooklyn in Community Board 4. DCAS intends to dispose of the two properties pursuant to Section 384 of the New York City Charter. There are currently no plans associated with these properties but the disposition approval would allow DCAS to dispose of the properties to selected developers in the future.

On July 1st, 2015, the Borough President held a public hearing. There were no speakers for this application.

In response to the Borough President’s concerns regarding the potential for the acquisition to lead to displacement, and whether limitations could be incorporated in order to prevent a scenario resulting in displacement, the DCAS representative stated that there is a program known as Sail Away. Sail Away is a piece of State authorized legislation which allows DCAS to dispose of properties, undevelopable on their own to adjacent property owners. This program is expected to be renewed by the State. Given the lot size and odd configuration of 93A Starr Street, it would not be considered as developable on its own. The owner of the lot in front has voiced interest in obtaining this site through the use of Sale Away. Through this program, DCAS is required to inform all adjacent property owners of the option to purchase this property but it is up to the discretion of the agency to select the appropriate owner.

In response to the Borough President’s interest in the extent of the outreach to the adjacent property owner, to acquire 9 Moffat Street, the representative stated that no outreach has been done. At this point no one has expressed interest in leasing or acquiring this site and it is the policy of DCAS not to proactively engage in outreach to adjacent owners unless there is a specific program in place. However, if the ULURP approval is received for the disposition of the lots, in the future it could be included in a public auction, at which point DCAS, in accordance with the City Charter, would notify all adjacent property owners. If the owner of the adjacent lots was to find out about the disposition and become interested in obtaining the lot, they are welcome to reach out to DCAS for further details and acquisition inquiries.

The standard way of disposition of City-owned property is through public auction. At this time there is no public auction scheduled for these properties but the representative stated that DCAS reviews the portfolios of every property that goes up for auction in order to evaluate and ensure the property is disposed of accordingly.

Consideration
CB 4 disapproved the application, 23 against and four abstaining, without conditions.

93A Starr Street, located between Knickerbocker and Wilson avenues, is a vacant flag lot of approximately 1,135 sf located within an R6 residential zoning district. It was originally part of 93 Starr Street, though in 1971, a portion of was reappropriated creating a 4’ by 65’ easement along the western side yard of 93 Starr Street to allow egress and ingress for the 875 sf portion of the rear structure of the current 93A Starr Street lot. The City acquired 93A Starr Street in 1986 through the in-rem tax foreclosure process and remains the owner since. In 1996 the Department of Housing Preservation and Development demolished the existing small structure and the lot has remained vacant since. DCAS entered into a short-term lease with the owners of 93 Starr Street to allow access to 93A Starr Street.
The lot in front of this property contains a commercial use, with no residential units. It has a short-term lease with DCAS for 93A Starr Street. The other surrounding properties are primarily residentially developed consisting of two- to three-story family walk-up buildings.

9 Moffat Street, located between Broadway and Bushwick Avenue, is a vacant interior lot of approximately 1,667 sf located within an R6 residential zoning district with a C1-3 overlay. The lot was originally acquired by the City in 1979 through the in-rem tax foreclosure process and has remained fenced and vacant since. To its Bushwick Avenue side it is adjacent to three-story residential buildings and vacant land to its Broadway side.

It is the Borough President’s policy to support land use actions that are compatible with surrounding land uses and would benefit the neighborhood, making city-owned property available for private development opportunities which in turn enhance the City’s community revitalization efforts. The proposed land use actions would facilitate the disposition of two vacant lots in a manner consistent with the City Charter. While there are currently no plans associated with the disposition of these properties, the disposition approval would provide DCAS with flexibility to dispose of these properties for development in the future. This disposition is only part of the process to enable the site to no longer be owned by the City and facilitate an opportunity for the site to be transferred to another agency or entity at a future time. The eventual development of these sites facilitates opportunities to improve and benefit their surrounding neighborhoods.

The Borough President supports making city-owned land available for private development to realize the needs of the surrounding community. The disposition sites consist of underutilized vacant property that has impaired the sound development of the surrounding community. The disposition and ultimate development of these sites would promote health and safety, as well as encourage sound growth and development.

Though the Borough President supports disposition of the properties, he has concerns for the potential to trigger residential displacement at 93A Starr Street and for underdevelopment at 9 Moffat Street. In addition, he continues to believe there is a need to contextually upzone the Broadway corridor in support of the Mayor’s affordable housing initiative.

**Disposition of 93A Starr Street**

In accordance with R6 zoning, whichever adjacent property owner acquires 93A Starr Street, the acquisition provides an opportunity for increasing the allowable floor area. Such additional floor area might compel a property owner or subsequent investor, to deem the property is more valuable as a development site as opposed to retaining the existing development. Given Bushwick’s thriving real estate climate, the Borough President is concerned there is risk for potential residential displacement if the property at 93A Starr Street is acquired by an adjacent property containing residential development. This situation ultimately results in displacement of current long term residents.

The Borough President has concerns that the disposition of 93A Starr Street to adjacent residentially occupied properties would result in an increased risk for residential displacement. This would not be the case if the property were disposed to the commercially developed lot, in front of this site, as there is no potential for residential displacement.

In order to minimize the risk of residential displacement, the Borough President believes that DCAS should prioritize the disposition of 93A Starr Street to the owner of the commercially
developed lot in front through the Sail Away program and to otherwise impose restrictions intended to prevent the risk of potential residential displacement.

Disposition of 9 Moffat Street
On its own, this property is a substandard zoning lot and does not provide much opportunity for sound development. Adjacent to the property, there is a cluster of three privately-owned, vacant lots, including some with frontage along Broadway. Due to the size of the lost at 9 Moffat Street, its development makes more sense as a property merged with larger holdings. Should the city lot be consolidated as part of a larger assemblage fronting Broadway, it would provide an opportunity for development of much needed affordable housing and mixed-uses along Broadway.

The Borough President believes that DCAS should include restrictions on the disposition of this property to preclude development that does not eliminate the tax lot’s substandard zoning lot status. The Borough President also believes that disposition preference should be given to the owner of the adjacent vacant land as a means to provide opportunity for creation of housing and mixed uses along Broadway, pursuant to a contextual upzoning of the Broadway transit corridor.

The Broadway Corridor
The Borough President supports the Mayor’s goal to achieve 200,000 affordable housing units over the next decade. The Borough President is committed to addressing the borough’s affordable housing crisis through creation and preservation of much-needed affordable housing units for very low- to middle-income Brooklynnites. Among numerous strategies and approaches, the Borough President is committed to advancing his affordable housing policy through his role in the Uniform Land Use Review Procedure (ULURP).

He believes that the Broadway transit corridor is an appropriate place to consider amending the zoning to permit residential density. The CD 3 section of Broadway had previously seen its residential zoning increased by approximately 50 percent. The Borough President believes that such zoning might be just as appropriate for section of Broadway in CDs 1, 4 and 16, extending from the Brooklyn-Queens Expressway to Broadway Junction. The Department of City Planning (DCP) should investigate the possibility of such a rezoning in consultation with CBs 1, 4 and 16 and Local Elected Officials.

Recommendation
Be it resolved that the Borough President of Brooklyn, pursuant to section 197-c of the New York City Charter, recommends that the City Planning Commission and City Council approve the land use action requested according to the following conditions:

That the Department of Citywide Administrative Services incorporates the following in either the Regulatory Agreement or Land Disposition Agreement:

1. Prioritize the disposition of 93A Starr Street to the owner of the lot in front through its Sail Away program, and otherwise impose restrictions to prevent the risk of potential residential displacement, should disposition occur to other adjacent lots;
2. The disposition of 9 Moffat Street shall preclude development that does not eliminate the tax lot’s substandard zoning lot status, with the preferred disposition to the owner of the adjacent vacant land, as a means to provide the opportunity for creation of housing and mixed uses along Broadway, pursuant to a contextual upzoning of the Broadway transit corridor.

And that the City Council has such stipulations incorporated into the Regulatory Agreement and/or Land Disposition Agreement prior to granting its approval.

Be it further resolved that:

1. The Department of City Planning undertakes, in Consultation with CBs 1, 4 and 16 and its Local Elected Officials, a zoning study to determine whether to further extend the C4-4L district along the Broadway corridor, from Williamsburg Bridge Plaza to Broadway Junction in Community Districts 1, 4 and 16.