



CITY OF NEW YORK

**MANHATTAN COMMUNITY BOARD FOUR**

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**CHRISTINE BERTHET**  
Chair

**Jesse Bodine**  
District Manager

December 4, 2015

Ms. Vicki Been  
Commissioner  
Dept. of Housing Preservation and Development  
100 Gold Street  
New York, NY 10007

**Re: 505-513 West 43rd Street  
Inclusionary Housing—Lower Income Housing Plan Application**

Dear Commissioner Been,

The Lower Income Housing Plan Application (the “Application”) by 1818 Nadlan LLC (the Applicant) for the development at 505-513 West 43<sup>rd</sup> Street (the “Project”) was discussed at the November 19<sup>th</sup>, 2015 meeting of Manhattan Community Board 4’s (MCB4) Housing Health and Human Services (HH&HS) Committee. By a vote of XX in favor, XX opposed, and XX present but not eligible to vote, MCB4 voted to recommend **approval** of the Application **with conditions**, all of which have been agreed to by the Applicant.

**The Project: An Overview**

The Project is a proposed newly constructed residential building divided into two segments that are connected by a one-story ground floor. The North portion of the building, at West 44<sup>th</sup> Street, will consist of 14 stories (with a partial 15<sup>th</sup> story), while the South portion, at West 43<sup>rd</sup> Street, will be 15 stories tall. The 140-unit development will be located between Tenth and Eleventh Avenues, which is currently designated as Block 1072, Lot 24 on the Tax Map of the City of New York (the “Site”). The building is in an area that was rezoned in 2009 as part of an Eleventh Avenue rezoning.

The proposed construction was subject to a series of land use applications (ULURP #s: N140407ZRM, 140408ZSM, and 140409ZSM) as a result of its location atop an Amtrak railroad easement. The actions were necessary in order to provide the requisite access and ventilation for the Department of Transportation and Amtrak, as well as a parking garage within the building.

The following actions and waivers were approved for the proposed Project:

- A Section 74-681 special permit required to develop over a railway
- Zoning text amendment and special permit under section 96-32 to modify bulk

- regulations to address NYC DOT and Amtrak requirements
- Agreement to allow for both on-site and off-site inclusionary housing
  - Increase of building height from 135 feet to 144 and 154 feet to allow for setbacks required by NYC DOT
  - Waiver of a 10 foot rear yard setback required for buildings above 95 feet
  - Permit a rear-yard obstruction to accommodate Amtrak ventilation requirements
  - Permit removable planters

### **MCB#4 Negotiations and Compromise**

The proposed project would have exceeded the 135 foot height limits established in the 2009 rezoning for West 43rd and West 44<sup>th</sup> Streets between 10<sup>th</sup> and 11<sup>th</sup> Avenues. Therefore, MCB4 entered into negotiations to reduce the height and bulk of the building.

The Applicant agreed to modify the proposed heights for both sections of the building, reducing the height of the North portion from 164 feet to 154 and 144 feet and the height of the South portion to 154 feet. However as a result, the newly-proposed development would not reach the maximum permitted 8.0 FAR with the R9 Inclusionary Housing Bonus. Furthermore, including the required number of affordable units in the smaller development would have rendered the development financially unfeasible. However, that requirement could be met offsite units within the Clinton Hell's Kitchen neighborhood.

In December 2014, MCB4 stated its support for this series of land use actions, provided that the height and bulk would be reduced, 9 onsite ownership units would be provided, and that the balance of the affordable inclusionary would be offsite in the Clinton Special District. MCB4's position was supported by the Borough President, the City Planning Commission and approved by the City Council on April 28, 2015.

MCB4 did not support plans for the construction of a 23-space parking garage for the development and is pleased and thanks the Applicant for withdrawing that element of the plan.

### **Inclusionary Housing Program**

In order to reach the square footage required for Inclusionary Housing Bonus, the Project will have both onsite and offsite Inclusionary Housing units.

#### Offsite

The offsite portion of the Project will consist of 16,800 square feet, approximately 18 permanently affordable units<sup>1</sup> at 50% of Area Median Income (AMI), located in Silver Towers, 600 West 42<sup>nd</sup> Street, corner of 11<sup>th</sup> Avenue in the Clinton Special District. These units comprise the offsite portion of the inclusionary units.

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<sup>1</sup> Per the Applicant, while the square footage is fixed, the off-site unit count is approximate.

### Onsite

The onsite portion of the Project will consist of nine (9) lower income permanently affordable homeownership inclusionary units. These condominium units will be available to households at or below 80% AMI. For these residents, the combination of common charges, real estate taxes, and monthly rent payments (on a mortgage with 90% financing) will be equivalent to a monthly rental rate affordable to households at 80% AMI. Residents of these units will have to pay a 10% down payment and typical closing expenses.

These units will be marketed by a nonprofit agency to be approved by HPD. Resale of these units, which will be subject to income and resale price restrictions, will be conducted through an Administering Agent. The Administering Agent will also help purchasers of the inclusionary units obtain financing. The owner has agreed to help facilitate financing through Evolve Bank, which has previously provided financing to purchasers of affordable housing units in other projects in the city.

After working with MCB4 in its review of the Lower Income Housing Plan Application, the Applicant has agreed to the following<sup>2</sup>:

#### **Apartment Distribution**

The nine inclusionary onsite units will be located on floors 1 through 8, with one additional unit on floor 11<sup>3</sup>. There will not be more than one (1) inclusionary housing unit on any floor of the building. Four (4) of the units will be one-bedroom units, at an average size equal to or slightly larger than 575 square feet. Five (5) will be two-bedroom units, at an average size of 900 square feet of floor area.

#### **Apartment Finishes**

The inclusionary housing units will have the same finishes—including kitchen cabinets and countertops, floors, and stainless steel-finished appliances—as the market rate units. Two of the nine inclusionary units—11J, a one bedroom unit in the South portion of the building and 8D, a two bedroom unit in the North portion of the building—will have balconies. Apartment 1G, the only ground floor inclusionary unit, will face the street and have landscaped planters separating the windows and the street, similar to the other ground floor units.

#### **Building-wide Amenities**

The Project includes a fitness room with a swimming pool and a lounge on the ground floor, as well as a landscaped courtyard. All of these amenities will be available to residents of the inclusionary housing units free of additional charges or fees.

#### **Condominium House Rules**

Additionally, the condominium by-laws will:

- Allow residents to own pets, subject to limitations as to the types, sizes, and quantity of pets; and
- Prohibit smoking in common areas

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<sup>2</sup> See attached letter from Alvin Schein to MCB4, dated November 24, 2015.

<sup>3</sup> The units are as follows: 1G, 2C, 3H, 4E, 5H, 6E, 7L, 8D, and 11J.

MCB4 would like to thank — and commend — the Applicant for their ongoing consultation with the Board to agree on a development acceptable to the community. The details, outlined above, further MCB4's goal of fostering equitable, quality affordable housing that is economically integrated into our district.

Sincerely,

Christine Berthet  
Chair



Barbara Davis, Co-Chair  
Housing, Health &  
Human Services Committee

Joe Restuccia, Co-Chair  
Housing, Health &  
Human Services Committee

Enclosure

cc: All Local Electeds  
Louise Carroll– HPD  
M. Lostocco – HPD

**SEIDEN & SCHEIN, P.C.**  
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November 24, 2015

Via Email: [jbodine@cb.nyc.gov](mailto:jbodine@cb.nyc.gov)

Mr. Jesse Bodine, District Manager  
Manhattan Community Board 4  
330 West 42<sup>nd</sup> Street, 26<sup>th</sup> Floor  
New York, New York 10036

**Re: Inclusionary Housing Plan for 505 West 43<sup>rd</sup> Street**

Dear Mr. Bodine:

Following up on our meeting with the Housing, Health and Human Services Committee of Community Board 4 on November 19, 2015, we wish to advise you of the following:

1. There will be nine (9) inclusionary housing units built at 505 West 43<sup>rd</sup> Street.
2. The inclusionary housing units will be home ownership units.
3. Existing residents of Community District 4 will have a preference for 50% of the inclusionary housing units (i.e. five (5) of the nine (9) units).
4. There will not be more than one (1) inclusionary housing unit on any floor of the building.
5. The inclusionary housing units will consist of five (5) two bedroom units and four (4) one bedroom units, which provides more bedrooms than required by the Zoning Resolution.
6. The two (2) bedroom units will measure approximately 900 net square feet of floor area, which exceeds the statutory requirement of 775 net square feet. The one (1) bedroom units will be equal to or slightly larger than the statutory requirement of 575 net square feet.

7. Two (2) of the inclusionary housing units will have outdoor balconies.
8. The inclusionary housing units will have the same type of flooring and kitchen cabinets as will be contained in the market rate units.
9. The inclusionary housing units will have stone countertops in the kitchens.
10. The inclusionary housing units will have stainless steel finished appliances.
11. The residents of the inclusionary housing units will have equal access to the building amenities, without being required to pay any additional charges or fees.
12. Building amenities will include a fitness room and a swimming pool.
13. The inclusionary housing units will be marketed to households earning up to 80% of AMI.
14. The combination of common charges, real estate taxes and debt service on a 90% loan for each inclusionary housing unit will be initially equal to the rent that would be paid for the same type of unit if it was an inclusionary rental unit at 80% of AMI. The current amount for a one (1) bedroom unit is \$1,254 per month and the current amount for a two (2) bedroom unit is \$1,511 (with the owner of the inclusionary housing unit paying for their own electricity, in both cases).
15. Purchasers of inclusionary housing units will need to pay a 10% down payment and typical closing expenses.
16. The marketing of the inclusionary housing units will be done by a not-for-profit Administering Agent approved by HPD, pursuant to a marketing plan approved by HPD.
17. The Administering Agent will assist the purchasers of the inclusionary housing units to obtain mortgage financing. Evolve Bank has previously provided financing to purchasers of affordable housing units in other projects.
18. The inclusionary housing units will be permanently affordable. All resales of the inclusionary housing units will be conducted through the Administering Agent, to ensure the integrity of the resale process.
19. The condominium by-laws will permit residents to have pets, subject to limitations as to the types and sizes of pets, as well as to the number of pets, that can be contained in any particular unit.
20. The condominium by-laws will prohibit smoking in common areas.

21. Pursuant to the Zoning Resolution, offsite inclusionary air rights for this project were required to be purchased from an inclusionary generating site located within the Clinton Special District.
22. The developer has purchased offsite inclusionary air rights from the owner of Silver Towers, which is located on West 42<sup>nd</sup> Street, in the Clinton Special District. A copy of the Certificate of Floor Area Compensation Transfer, for 16,800 square feet of inclusionary housing floor area, which was purchased from the owner of Silver Towers, is attached to this letter.

Very truly yours,  
SEIDEN & SCHEIN, P.C.



By: Alvin Schein

