



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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COREY JOHNSON
Chair

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

July 27, 2012

Jeff Brodsky
President
Related Management Company, LP
423 West 55th Street, 9th Floor
New York, NY 10019

**Re: Manhattan Plaza and 529 West 29th Street
Section 8 Transfer Restrictions**

Dear Mr. Brodsky:

At the July 19, 2012 meeting of Manhattan Community Board 4's ("CB4") Housing, Health & Human Services ("HH&HS") Committee, the Board discussed the proposal by Related Management Company, LP ("Related") to transfer 169 units of Section 8 housing from Manhattan Plaza at 400 and 484 West 43rd Street to a new building at 529 West 29th Street. Several concerns were raised by both the Board and the Community about the transfer of those units and are noted below. CB4 would like to thank Related for its willingness and action in working with CB4, local elected officials and the Manhattan Plaza Management Policy Advisory Committee to address the various concerns that have been raised about this transfer over the past year.

Background

Manhattan Plaza contains 1,689 residential units and occupies an entire city block bounded by West 43rd Street, Ninth Avenue, West 42nd Street, and Tenth Avenue. Manhattan Plaza was built in the mid-1970s and was originally intended to be luxury housing. However, construction stalled due to lack of funds and inability to attract upper income tenants to the area. Through a long and complicated process, the community worked with the City, Broadway Theater owners and producers and the entertainment unions to create the City's first performing arts affordable housing residence utilizing the Department of Housing and Urban Development ("HUD") Section 8 program. Section 8 provides that no tenant pays more than 30% of their income in rent. 10% of the units have a higher income band through the Mitchell Lama Program and are open to all New York State residents. Of the 90% of Manhattan Plaza Section 8 units, 70% are for performing artists or support personnel, 15% are for CB4 senior citizens, and 15% are for CB4 community residents.

Proposal

Out of the 1,689 units at Manhattan Plaza, there are 169 units which are restricted to a higher income band under Mitchell-Lama and thus are not currently using the available Section 8 subsidy. As such, Related has proposed to transfer those 169 Section 8 units to a new building it is constructing at 529 West 29th Street. HUD has agreed to bifurcate the existing Housing Assistance Payment (HAP) Contract at Manhattan Plaza to allow for the transfer of these 169 units to the new building. The current breakdown of those units at Manhattan Plaza is:

	Studio	One Bedroom	Two Bedroom	Total
Number of Units	63	80	26	169

Related has proposed to reduce the number of units from 169 to 125 in order to increase the number of two-bedroom units. The breakdown of the 125 units is:

	Studio	One Bedroom	Two Bedroom	Total
Number of Units	31	30	64	125

The Board approves the unit reduction to create more two bedroom units since two bedroom units are in high demand and are rarely produced for this income group.

Preferences

Related has proven itself to be a great ally to Manhattan Plaza residents and Manhattan Plaza's mission. CB4 appreciates Related's ongoing efforts both to ensure that Manhattan Plaza remains as affordable housing and as a major asset to the community. CB4 also appreciates Related's responsiveness to community concerns about the transfer of these 169 units and that with the transfer; the original intent of those units should be continued. The Community Board feels strongly that three factors are critical to the successful transfer of the 169 units:

- Utilization of the Manhattan Plaza waitlist for the rent-up;
- Continuation of the existing rental preferences; and
- CB4 is able to review and comment on the plans for the new units.

Many of the prospective tenants who are on the waitlist for a unit in Manhattan Plaza make their living in the performing arts. Due to the nature of how performing arts professionals' incomes unpredictably fluctuate, CB4 recommends giving people on the waitlist the ability to freeze their application one time for a period of up to 3 years if they are over the income qualifications at the time they are called from the waitlist. This mechanism is already in place at Penn South and has proven successful at preventing penalizing generally eligible candidates if they experience an unusually successful time period. CB4 requests that a similar system for fluctuating incomes be maintained at 529 West 29th Street to protect artists on the waitlist.

CB4 approves the transfer of subsidy from Manhattan Plaza to 529 West 29th Street for these 169 units on the condition that the Manhattan Plaza waitlist be utilized for the rent-up, the existing rental preferences are continued and CB4 is able to review and comment on the plans for the new units. CB4 appreciates that after extensive discussion with CB4 and community stakeholders, Related has chosen not to proceed with an Inclusionary Housing Program at 529 West 29th Street as originally proposed. CB4 now asks Related to please join CB4, local elected officials, the Manhattan Plaza Management Advisory Committee and the performing arts and entertainment community in supporting the extension of the preferences for 529 West 29th Street and reaching an agreement with HUD to resolve these matters.

Thank you for your time and attention to this matter. CB4 is looking forward to discussing this with you further and bringing resolution to all of the outstanding issues.

Sincerely,

A handwritten signature in blue ink, appearing to be 'CJ', written in a cursive style.

Corey Johnson
Chair

cc: Greg Gushee – Related
Steven Ross – Related
Bruce Beal - Related
Speaker Christine Quinn
Manhattan Borough President Scott Stringer
NYS Senator Thomas Duane
NYS Assemblyman Richard Gottfried
Congressman Jerrold Nadler