

# **BOA Implementation Guide for Community-Based Organizations**

**NYC Mayor's Office of Environmental Remediation**

October 2014

Prepared by: SoBRO

This document was prepared for the New York City Mayor's Office of Environmental Remediation and the New York State Department of State with state funds provided through the Brownfield Opportunity Areas Program.

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## **TABLE OF CONTENTS**

EXECUTIVE SUMMARY	1
INTERVIEWEE PROFILES	8
TERMS AND ACRONYMS	15
CONSOLIDATED LIST of BEST PRACTICES	17
<b>CHAPTER 1</b>	
Property Owner Outreach Techniques	19
<b>CHAPTER 2</b>	
Building Capacity: Engaging Private-Sector Consultants and Partners	34
<b>CHAPTER 3</b>	
Collaborating with Governmental Agencies	50
<b>Appendix A</b>	
Funding Sources for BOA Implementation Projects	63
<b>Appendix B</b>	
New York State Consolidated Funding Application (CFA) Program List	69

## **EXECUTIVE SUMMARY**

The BOA Implementation Guide is a tool meant to inform and equip community-based organizations (“CBO”s) in the City of New York in facilitating development projects at underutilized property as a means for bringing about broader neighborhood and community revitalization. In recent years, the need for this tool became clear as the NYC Mayor’s Office of Environmental Remediation (MOER) began to support local CBOs involved with the planning and visioning of distressed or transitioning neighborhoods of Upper Manhattan and the outer boroughs. Funded primarily under New York State’s Brownfield Opportunity Areas (“BOA”) grant program, these not-for-profit CBOs have undertaken comprehensive land use analysis and community outreach, and in many cases have also identified “Strategic Sites” where communities envision the development of new uses - such as residential apartments, commercial/retail space, rehabilitated industrial space, open space or community facilities - to enhance the livability and economic vitality of the overall area.

As the City lent support and technical assistance to State-funded local planning efforts, it became clear that the CBO groups were often challenged to bring visioning plans to fruition in their respective communities. Because non-profit organizations traditionally focus on non-development related initiatives including small business support, social services, and/or environmental justice advocacy, they tend to lack the in-house capacity and expertise needed to truly advance and implement the development projects envisioned by their constituencies. In response to this challenge, MOER commissioned the development of this BOA Implementation Guide (the “Guide”) to advise NYC-based non-profit organizations, particularly BOA grantees, in a wide range of strategies needed to bring local visions and plans to the point of becoming feasible, implementable, and “project-ready.”

MOER engaged the South Bronx Overall Economic Development Corporation (SoBRO), an established BOA grantee and full-service community and economic development organization, to develop the BOA Implementation Guide. SoBRO conducted a series of 28 interviews across the public and private sectors with stakeholders involved in various aspects of the local planning process, from the conceptual visioning phase through the design development, pre-construction and implementation phase. SoBRO compiled interview findings and generated a comprehensive set of “Best Practices” and case studies that comprise this Guide for project-focused community planning. Though the Guide targets an audience of NYC-based BOA grantee organizations, it is intended to also serve as a resource for any municipal or community-based entity involved in neighborhood planning and revitalization efforts.

### ***Setting the Context: the Brownfield Opportunity Areas (BOA) Program***

The New York State BOA Program was enacted in 2003 and was “designed to assist communities foster redevelopment and return dormant and blighted land into productive and catalytic areas while

restoring environmental quality.”\* The program awards grant funding to not-for-profit CBOs and municipalities involved in the revitalization and redevelopment of economically or socially distressed communities affected by brownfields<sup>†</sup> or otherwise dormant, under-utilized property or infrastructure, and/or have a deficiency of housing, job-generating commercial or industrial uses, open space, sound infrastructure or other community resources. The BOA Program accommodates a wide range of eligible neighborhood and site planning-related activities ranging from urban design studies to economic analysis, transportation and infrastructure planning, as well as pre-construction activities for targeted projects. BOA work plans vary from one grantee to the next in as much as each work plan is tailored to the particular grantee’s specific mission and goals. An official list of BOA eligible activities may be found in the Appendix.

The BOA Program consists of three major steps in a comprehensive planning and implementation process, each of which is tied to sequential grant funding:

1) Step 1 - Pre-Nomination Study

The Pre-Nomination Study includes a preliminary, area-wide analysis of the BOA study area, including: a description and justification for the study area and associated boundaries, current land use and zoning; descriptions of existing brownfield sites and other underutilized properties; community outreach, including establishment of a BOA Steering Committee, to establish a preliminary vision for the area’s revitalization; and a preliminary set of recommended strategies for achieving specific revitalization goals.

2) Step 2 - Nomination Study

The Nomination Study involves advanced analysis of the assets, challenges and opportunities in the BOA study area, identification and assessment of individual “BOA Strategic Sites,” and diligent engagement of the Steering Committee and community stakeholders. Identification of Strategic Sites is the centerpiece of Step 2 and involves outreach to property owners, site analysis including general due diligence, Phase I environmental assessment, and analysis of design alternatives for end uses that can act as catalysts for revitalization of the area. Step 2 activities are documented in detail in a final Nomination Report. The report must include key findings and recommendations for revitalizing Strategic Sites and corridors in concert with the expressed needs and vision of the local community.

3) Step 3 - Implementation Strategy

The Implementation Strategy delves deeper into the recommendations identified under Step 2 and details the techniques and actions necessary to implement the area wide and project-specific plans developed in Step 2. Reporting for Step 3 includes demonstration of compliance with New York State Environmental Quality Review Act (SEQRA) regulations so that the BOA plan may officially be adopted at the local and State levels. Implementation activities focus on the individual Strategic Sites, and may include advanced analysis and pre-

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\* NYS DOS Division of Coastal Resources: [http://www.nyswaterfronts.org/grantopps\\_BOA.asp](http://www.nyswaterfronts.org/grantopps_BOA.asp), accessed September 22, 2009

<sup>†</sup> A “brownfield” is defined in New York State Environmental Conservation Law Article 27, Title 14, as any real property, the redevelopment or reuse of which may be complicated by the presence or potential presence of a contaminant.

construction work such as Phase II Environmental Site Assessment and development of remedial action work plans, financial feasibility modeling, architectural design, market studies, marketing and branding, partnership structuring, procurement of capital funding and financing, and other pre-development related activities that prepare Strategic Sites and other priority projects for advanced financing if necessary and, ultimately, implementation. Successful completion of this final step of the BOA process results in the New York State Secretary of State officially designating the study area as a Brownfield Opportunity Area (BOA).<sup>‡</sup>

To date, a total of 164 BOA grants have been awarded state-wide, representing nearly \$36 million in community investment. As of 2013, another nearly \$44 million in state budget appropriations was still available for BOA grants. In New York City, twenty seven (27) BOA grants have been awarded to CBOs plus one to the municipality itself (administered by MOER). BOA contracts awarded across the State between 2003 and 2010 were largely Step 1 and Step 2 grants which, generated extensive visioning, land use planning and community outreach efforts. Today, a decade after the program's inception, the Department of State has awarded several Step 3 grants and has generally shifted its focus from visioning towards Strategic Sites identification, project implementation, and measurable outcomes borne of the planning and analysis completed under Steps 1 and 2, thus making the release of this report timely.

### ***Report Organization***

At its core the BOA Implementation Guide encourages non-profits and BOA grantees to **engage strategic partners** as a means of facilitating the actualization of targeted community-based planning and visioning projects. In this regard, this Guide is organized into three chapters that deal with the following key types of strategic partners:

- 1) Property owners,
- 2) Private-sector consultants and development professionals, and
- 3) Government agencies.

The chapters herein contain a total of 25 Best Practices, each of which includes a narrative explanation and at least one case study that highlights the relevant experience of interviewees that have led to positive outcomes.

The sequence of the Best Practices parallels the BOA process, from early planning stages through to preparation for a project's construction in Step 3. Higher numbered Best Practices are associated with increasingly advanced phases of the BOA planning and implementation process.

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<sup>‡</sup> Note: No official BOA study areas have been designated to date in the State of New York; therefore, throughout this Guide, the terms "BOA" and "BOA Area" refer to study areas or to the program generally.

Preceding Chapters 1, 2, and 3 are two quick-reference tools for ease of developing context and navigating this Guide. These include a Consolidated List of Best Practices with relevant page numbers and a list of Terms & Acronyms found throughout the document.

### **Research Process**

Initially, the scope of SoBRO's work focused solely on engaging owners of BOA Strategic Sites, a key stakeholder group with great influence over whether a BOA vision comes to fruition. SoBRO's mission was to identify common challenges encountered by BOA grantees when engaging property owners as partners in the planning process, and then offer a set of Best Practices for winning their buy-in and participation. SoBRO and MOER together identified BOA stakeholder groups across a variety of sectors to be interviewed about their experience for effectively dealing with property owners.

Between September, 2012 and March, 2013 SoBRO conducted a total of 28 in-person and telephone interviews which included 10 BOA groups, five not-for-profit local development corporations, three city agencies, and ten private sector parties including developers, other real estate professionals, and planning and urban design firms.<sup>§</sup> During early phases of the interview process, SoBRO and MOER decided to broaden the focus beyond just property owners to also include strategies for dealing with private and public sector partners whose development capacity and expertise could greatly assist grantees in effectuating the physical implementation of their BOA vision.

Throughout the interview process it also became clear that CBOs and BOA grantees in the City of New York are extremely diverse in mission, capacity, and approach toward implementing their BOA plans. Some BOA groups seek to participate as development partners in property acquisition and/or redevelopment of Strategic Sites. Other BOA groups play a facilitating role with regard to those projects where development or implementation is undertaken directly by third parties including private developers, landowners, and city agencies. Activities that advance projects differ depending on the mission and development capacity of each BOA grantee.

CBOs with real estate development expertise may play a direct role in advancing projects through:

1. Architectural design,
2. Land purchase negotiations,
3. Engaging equity and developer partners and structuring ownership and financial stakes in a project,
4. Undertaking targeted pre-construction activities, such as feasibility studies, environmental investigation, site surveys, construction cost estimates, and;
5. Securing financing.

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<sup>§</sup> A complete list and profile of all interviewees may be referenced in the Interviewee Profile section of the Appendix.

CBOs that prefer to *facilitate* development that is ultimately undertaken directly by others may advance projects through:

1. Development of a project concept and conceptual design,
2. Advocacy and alignment of relevant stakeholder support, and/or
3. Procurement of funding for project implementation carried out by a developer or public agency.

The Best Practices presented throughout the Guide include strategies that have proven helpful to both CBO types described above.

### **Overview of Key Findings**

As mentioned above, the overarching finding that emerged from the extensive stakeholder interview process was that **engaging strategic partners** is the key to advancing community-based planning and visioning efforts. Within that framework, the following recommended strategies emerged consistently across each stakeholder type and are referenced throughout the chapters of the Guide. These strategies focus on the **timing and preparedness** required to successfully engage stakeholders and advance the redevelopment of Strategic Sites. Key findings include:

**Establish a clear set of goals and deliverables for the BOA program from the outset:** In scoping out a BOA Nomination study or any community development plan, CBOs must establish a clear set of tangible goals and objectives that drive the planning process to successful completion. Such goals may include:

1. Identification of a specified number of Strategic Sites,
2. Conducting Phase I environmental studies,
3. Garnering support or active collaboration from property owners,
4. Identification of rezoning opportunities, and
5. Identification of advanced planning and development resources for a specific project or initiative.

**Delineate roles and responsibilities from the outset of any partnership arrangement:** It is imperative that in any partnership - whether it be the joint administration of a BOA grant, the relationship of a CBO with a planning consultant, or in structuring a joint venture for a development project - partnership terms and conditions as well as delineation of roles and responsibilities between all parties must be clarified and documented from the outset so as to maximize efficiency and avoid confusion.

**Engage property owners and agency partners early on.** Property owners and other strategic partners should be engaged *early on* in the planning and visioning for the BOA area to build consensus on development plans and ensure that projects of interest are in fact achievable. It is not advisable to send urban design or environmental engineering teams to scout out and develop

visions for targeted sites before enlisting, or at least informing, the affected property owner(s) and potential agency partners. Such efforts can prove futile and can be seen as adversarial if the property owner or agency's collaboration is crucial to the viability of a vision's implementation.

**Conduct and present design and economic feasibility studies early on:** This strategy emphasizes the importance of preparedness to present relevant information in order to optimize outreach efforts with property owners, public agencies, prospective private-sector partners, and various consultants such as real estate brokers. Economic feasibility is the single most important factor in determining whether or not a prospective development partners' participation can be enlisted. BOA groups should prepare design feasibility and cost-benefit studies that speak to an owner, developer or agency's "bottom line" as early as possible.

\* \* \*

### ***About the Author***

MOER engaged SoBRO in 2012 to provide "on-call" real estate advisory services to BOA grantees throughout New York City. SoBRO was selected based on the organization's track record as a BOA grantee and its history as a developer of residential and commercial real estate in distressed Bronx and Upper Manhattan communities. Since 2004, SoBRO has been awarded a total of five BOA contracts which have been deemed as models of success by both the City and State due to SoBRO's implementation-oriented approach and use of BOA contractual dollars to effectuate zone changes and move Strategic Sites toward redevelopment. From the outset, SoBRO's BOA efforts involved targeting brownfield and underutilized properties, engaging the property owners, assessing highest and best use given sites' zoning designations and neighborhood context, undertaking site plan and design analyses, and carrying out other activities aimed at site revitalization. SoBRO also worked closely with MOER in designing New York City's Brownfield Incentive Grant programming ("BIG") which today funds the very type of work that leads toward the transformation of brownfield properties.

SoBRO's approach to the BOA Program flows from the organization's long experience as a community developer and manager of real estate. SoBRO has over a decade of experience developing and managing commercial and residential properties, evidenced by its portfolio of over 700 units of affordable housing and nearly 260,000 square feet of commercial, industrial and office space in the Bronx and Upper Manhattan currently valued at a total of over \$106 million. SoBRO also currently has approximately 600 residential units in its development pipeline.

In addition to development projects, SoBRO has worked closely with the NYC Department of City Planning to rezone Morrisania, the Bruckner commercial corridor, and the Lower Concourse, where industrial zoning precluded development. These efforts have created opportunity for the private sector to invest millions in Bronx neighborhoods and develop sustainable, integrated residential,

commercial, and industrial spaces. More information related to SoBRO's organizational background may be found in the Appendix.

## **INTERVIEWEE PROFILES**

SoBRO conducted twenty-eight (28) interviews with a broad sampling of NYC BOA grantees, property owners, private planning firms, real estate development and brokerage companies, legal counsel, local development corporations (LDCs), governmental agencies, and relevant other parties. A brief description of each interviewee is provided for reference below.

### **BOA Grantees (10)**

#### **Cypress Hills Local Development Corporation (LDC)**

##### ***Cypress Hills/East New York BOA***

The Cypress Hills LDC is a community-based organization located in the Cypress Hills section of Queens, NY. The organization's work focuses on community and economic development and educational programming. Awarded a Step 2 BOA grant in 2011 which is today nearing program completion, Cypress Hills LDC's BOA objectives are to expand affordable housing, create green manufacturing opportunities, and improve access to public transit and open space in the adjacent neighborhoods of East New York, Brooklyn and Cypress Hills, Queens.

#### **East Williamsburg Valley Industrial Development Corporation (EWVIDCO)**

##### ***North Brooklyn IBZ BOA***

EWVIDCO's work focuses on providing business development services to and advocating on behalf of local businesses located within the Greenpoint-Williamsburg and North Brooklyn Industrial Business Zones (IBZs) and North Brooklyn Empire Zone. Awarded a Step 2 BOA grant in 2011, EWVIDCO's primary BOA goals relate to industrial development and job retention.

#### **Flushing, Corona, Willets Point Local Development Corporation (FWCLDC)**

##### ***Flushing River Waterfront BOA***

FWCLDC was established by NYCEDC in 2007 to advance the redevelopment of the Willets Point neighborhood in Queens, and to encourage the development of the Flushing waterfront. FWCLDC was awarded a Step 2 BOA grant in 2010 and have focused their efforts on advancing a mixed-use rezoning proposal and reconnecting downtown Flushing to the waterfront. Affordable housing and waterfront open space are key components of the BOA vision.

#### **Family Services Network of New York (FSNNY)**

##### ***Reclaim Bushwick BOA***

FSNNY is a community-based organization located in the Bushwick section of Brooklyn. FSNNY's programming focuses on health and human services, such as case management, HIV prevention, and immigration advocacy. FSNNY completed a Step 1 BOA grant in 2010, under which the primary objectives included development of affordable housing and recreation centers, upgrading commercial districts, and improving retail diversity.

### **Greater Jamaica Development Corporation (GJDC)**

#### ***Jamaica Station BOA***

The GJDC is a local development corporation whose work focuses on economic revitalization and mixed-use transit-oriented development in downtown Jamaica, a Queens neighborhood in close proximity to John F. Kennedy Airport. A veteran BOA group which was awarded their first BOA grant in 2005, GJDC is currently completing a Step 3 BOA Implementation Strategy, dedicating BOA funds towards marketing for Strategic Sites and infrastructure feasibility studies.

### **Greenpoint Manufacturing and Design Center (GMDC)**

#### ***Newtown Creek BOA***

GMDC is an industrial developer in the Greenpoint neighborhood of Brooklyn. GMDC plans, develops, and manages industrial real estate with the objective of creating and sustaining viable manufacturing. Awarded a Step 2 BOA grant in 2008, GMDC focused on green infrastructure, industrial development, transportation, and waterfront access. The Step 2 Nomination report was completed in 2012 in collaboration with two other organizations, Riverkeeper, and the Newtown Creek Alliance.

### **Harlem Congregations for Community Improvement Inc. (HCCI)**

#### ***Bradhurst BOA***

HCCI is a local development corporation based in Harlem, Manhattan whose work includes development of affordable housing, as well as health and wellness programming. HCCI completed a Step 2 BOA grant in 2012 which focused on affordable housing development, economic development, and waterfront access.

### **Northfield Local Development Corporation (LDC)**

#### ***Port Richmond BOA***

Northfield LDC is a neighborhood preservation group in Port Richmond, Staten Island. The organization works primarily on housing development, economic development, business support, and weatherization. Northfield LDC is nearing completion of a Step 1 BOA grant and was recently awarded a Step 2 grant in 2012. BOA program goals include commercial revitalization and mixed-use development, expansion of the working waterfront, and waterfront access on Staten Island's North Shore.

### **Southwest Brooklyn Industrial Development Corporation (SBIDC)**

#### ***Red Hook BOA***

SBIDC is an industrial development organization in Red Hook, Brooklyn that focuses on retention of manufacturing and job-generating businesses, commercial revitalization, and workforce training. SBIDC served as a consultant for the Sunset Park and Gowanus BOAs, and was awarded its own Step 1 BOA grant in 2012. Key components of their BOA vision for Red Hook include industrial real estate development, job creation, and affordable housing development.

### **United Puerto Rican Organization of Sunset Park (UPROSE)**

#### ***Sunset Park BOA***

UPROSE is an environmental justice organization located in the Sunset Park neighborhood of Brooklyn. The core of UPROSE's work involves advocacy for sustainable development and youth empowerment. Having completed Step 1 and Step 2 BOA grants between 2008 and 2013, UPROSE's primary BOA goals are creation of waterfront open space and expansion of "green" manufacturing activity in Sunset Park.

### **South Bronx Overall Economic Development Corporation (SoBRO)**

#### ***Lower Concourse BOA, East River BOA, Eastchester BOA***

SoBRO is a local development organization founded in 1972 serving the Bronx and beyond in the areas of real estate development, property management, land use and environmental planning, entrepreneurial and business assistance, management of Bronx Industrial Business Zones (IBZs), adult workforce development, and youth education. SoBRO has been awarded a total of five (5) BOA grants which focus on real estate development (commercial/industrial and residential), commercial/industrial retention, waterfront access and revitalization, and green infrastructure.

### **Local Development Corporations (5)**

#### **Fifth Avenue Committee (FAC)**

##### ***BOA Applicant***

The Fifth Avenue Committee is a community development corporation located in Park Slope, Brooklyn that focuses on development of affordable housing, workforce programming, community organizing, and advocacy. FAC has constructed or rehabilitated over 600 units of housing for low and moderate income families which represents investment of more than \$300 million into South Brooklyn communities. FAC currently has a BOA application pending which will target an upland section of Sunset Park, Brooklyn.

#### **Staten Island Industrial Development Corporation (SIEDC)**

##### ***BOA applicant***

SIEDC's programming primarily focuses on the development of industrial and commercial real estate throughout Staten Island as well as provision of business development and support services. SIEDC has been responsible for introducing over \$550 million in new investment and over 3,500 jobs into the borough's local economy. SIEDC currently has a BOA application pending which will target Staten Island's West Shore.

### **Bedford-Stuyvesant Restoration Corporation (“Restoration”)**

#### ***BOA Applicant***

Established in 1964 as a national model for community development, Restoration was one of the first community development corporations in the country. Located in the Bedford-Stuyvesant neighborhood of Brooklyn, the organization serves Central Brooklyn with a range of services related to real estate and housing, economic development, workforce development, and arts and culture. Restoration currently has a pending BOA application which will focus on the Atlantic Avenue Corridor.

### **Women’s Housing and Economic Development Corporation (WHEDco)**

WHEDco is based in the Morrisania neighborhood of the Bronx. Serving approximately 35,000 residents annually, the bulk of the organization’s programming involves community and economic development, creation of affordable housing, and family support services. WHEDco has developed 260 units of affordable housing, and has another 293 units in the development pipeline.

### **Phipps Houses**

Founded in 1905, Phipps Houses is the oldest and largest not-for-profit owner, manager, and developer of affordable housing in New York City. The organization’s social services affiliate, Phipps Community Development Corporation, offers education, work readiness, recreation and civic engagement programming. Phipps has constructed a total of approximately 6,000 apartments providing housing for 15,000 residents throughout the Boroughs of Manhattan, the Bronx, and Queens. The organization currently has over 1,400 additional units in its development pipeline.

### **Private Sector (11 firms, 10 interviews)**

#### **Chasson Associates LLC**

Chasson Associates LLC owns property in a section of Jamaica, Queens which is dominated by auto scrap metal yards. The family-owned company has owned and managed property in the area since the 1920s. Chasson Associates became an active board member of the Greater Jamaica Development Corporation (GJDC) in the 1970s today sit on the Jamaica Station BOA Steering Committee.

#### **Cornerstone Group Real Estate Services LLC**

The Cornerstone Group Real Estate Services LLC is a boutique real estate consulting, brokerage, and development firm based in New York City that specializes in working with private corporations, foundations, and not-for-profit organizations. The Cornerstone Group assists with site identification, acquisition, negotiation, and financing of commercial, residential, and institutional properties. The

firm was hired by Cypress Hills LDC to assist with identification and acquisition of Strategic Sites in the East New York BOA.

### **Gateway Arms Realty**

Gateway Arms Realty is a full-service realty company located on Staten Island. Gateway handles listing, sales, leasing, and management of residential, industrial/manufacturing, and vacant land throughout the borough. The firm works extensively with non-profits on leasing and acquisition and maintains a close partnership with SIEDC in delivering economic development incentives to new and prospective businesses.

### **David Freeman, Gibbons P.C.**

David Freeman is an environmental attorney specializing in brownfield-related issues who serves as President of the NYC Brownfield Partnership. Freeman primarily represents purchasers of brownfield properties and assists them in addressing liability issues. Mr. Freeman is currently assisting SoBRO as they explore acquisition of two significantly contaminated BOA Strategic Sites.

### **HR&A Advisors**

HR&A is a real estate consulting firm that specializes in economic development strategies. HR&A's client base includes both public and private-sector entities. Since 2008 the firm has participated on consultant teams for fifteen BOA projects throughout the State of New York, including the Sunset Park BOA, and has been involved in brownfield remediation projects across the country.

### **JGSC Group LLC**

The JGSC Group LLC is a strategic planning firm based in the New York City metropolitan area that specializes in commercial corridor revitalization. Clients include public, private, and non-profit sector entities for whom the company performs comprehensive market and demographic analysis which sets the foundation for implementing business attraction and redevelopment strategies. JGSC has worked with both GJDC and Northfield LDC on their BOA projects, as well as WHEDco and other community-based organizations throughout the five boroughs.

### **WXY Architecture + Urban Design**

WXY Architecture is an architecture and urban design firm offering a range of site design, and strategic planning-related services. Based in New York City, the firm's holistic approach focuses on place-specific concepts, sustainable design, and adaptive reuse to benefit local communities. WXY was the lead consultant for the Sunset Park BOA and also consulted on the Bradhurst BOA project.

### **New Partners for Community Revitalization (NPCR)**

NPCR is a 501(c)(3) nonprofit advocacy organization working to revitalize New York's low- and moderate-income neighborhoods and communities of color that are impacted by brownfield sites. NPCR was closely involved in the conceptualization and creation of the New York Brownfield

Opportunity Areas (BOA) Program. NPCR helps community groups secure BOA grants and acts as a liaison between community and environmental justice groups and other public and private sector stakeholders. NPCR engages in community and brownfield-related advocacy at the city, state and federal levels.

### **Jonathan Rose Companies**

Jonathan Rose Companies is a green real estate firm with expertise in the areas of development, investment, policy, urban planning, and project management. Jonathan Rose plans and develops buildings and communities recognized for their innovative, integrated design and sustainability features. The firm has collaborated closely with HCCI on projects within the Bradhurst BOA, as well as other not-for-profit organizations in New York City and nationally.

### **L+M Development Partners**

L+M Development Partners is an integrated real estate firm with affiliated companies in the areas of development, investment, construction, and property management. L + M is responsible for bringing over \$2 billion of investment and has built over 8,000 units of affordable and market-rate housing in the tri-state area. The firm has collaborated closely with HCCI on projects within the Bradhurst BOA, as well as SoBRO and other not-for-profit organizations in New York City and nationally.

### **Kenneth Cohen, Pantheon Properties**

Pantheon Properties is a property owner and full-service real estate developer of industrial, commercial/office, and multi-family projects in the New York and New Jersey metropolitan area. The company handles brokerage, acquisition, management, and development/construction activities. Pantheon owns property along the Harlem River waterfront in the South Bronx within the Lower Concourse BOA area, and sits on SoBRO's BOA Steering Committee.

## **Governmental Agencies (3)**

### **NYC Department of Citywide Administrative Services (DCAS)**

DCAS ensures that City agencies have the resources and support needed to deliver their mandated services to the public. In that role, the agency carries a range of responsibilities which involve: recruiting, hiring and training City employees; facilities management public buildings; purchase, sales and leasing of City-owned real property; management of supplies and equipment; and management of utility accounts and energy conservation programs that service City facilities. The DCAS Asset Management division maintains an inventory of city-owned properties. DCAS manages, operates, and maintains over fifty (50) City-owned buildings; oversees 15,000 parcels of city-owned commercial and industrial land; leases and licenses City-owned non-residential property for private use; and disposes of City-owned real estate through public sales and lease auctions.

**NYC Economic Development Corporation (NYCEDC)**

NYCEDC is a quasi-governmental non-profit local development corporation that promotes economic growth across the City of New York and is responsible for the management of city-owned commercial and industrial property. NYCEDC's Planning and Development Group, Real Estate Transactions Services Group, and Maritime Support Services Division, handle all aspects of urban redevelopment from area-wide planning and environmental remediation to disposal of city-owned property and real estate project management.

**NYC Mayor's Office of Environmental Remediation (MOER)**

MOER was established in 2008 to advance the brownfield redevelopment goals set forth in PlaNYC, New York City's comprehensive sustainability plan under Mayor Michael Bloomberg. MOER launched a wide range of programming and services related to encouraging the revitalization of dormant brownfield properties. Among them MOER provides technical support and supplementary funding to BOA grantee organizations throughout the five boroughs to advance their planning and implementation efforts.

## TERMS & ACRONYMS

**BOA:** The term “BOA” refers to the Brownfield Opportunity Areas program sponsored by the New York State Department of State.

**BOA Area:** The term “BOA area” refers to the geographic area defined by specific boundaries designated by the BOA grantee organization.

**BOA Process:** The term “BOA Process” refers to the calculated sequence of activities required by and/or eligible under the BOA Program which begins with Step 1 area-wide analysis and ends with Step 3 targeted project implementation. Activities undertaken during the BOA Process include (but may not be limited to) existing conditions analysis, stakeholder outreach and community visioning, land use and infrastructure planning, selection of Strategic Sites and targeted projects, procurement of advanced planning or capital funding, and pre-construction activities.

**BOA Plan:** The term “BOA Plan” refers to the expressed goals, objectives and plans established by the BOA grantee and the stakeholders engaged in the BOA process and approved by the Department of State. The BOA Plan may also refer to the final reports produced under Step 1 and Step 2.

**BOA Steering Committee:** The “BOA Steering Committee” is an advisory group assembled by BOA grantee organizations from the outset of the BOA process which meets periodically to monitor the progress of BOA efforts. Members of the Steering Committee generally represent a range of stakeholder groups, including local residents, businesses, and property owners, regulatory agencies, and private sector professionals that best reflect the needs and economic profile of the BOA area.

**Strategic Site:** A BOA “Strategic Site” is a property or group of properties within the BOA Area which is targeted for development, environmental cleanup, or rehabilitation within the BOA Plan and which, if implemented, has the potential to catalyze investment and revitalization within the broader BOA Area.

**Implementation:** The term “Implementation” refers to advanced stages of the BOA Process whereby efforts and funding are identified and directed toward realizing the plan and vision developed for the Strategic Sites.

**Implementation activities:** The term “implementation activities” refers to site- and project-specific work that advances the development or rehabilitation of Strategic Sites or other BOA implementation projects. Generally, no two strategic sites will have identical implementation plans.

**Implementation projects:** The term “implementation projects” refers to the wide range of targeted project types or tangible outcomes that have been prioritized by BOA groups and for which BOA funds can support bringing such projects to project-readiness and/or execution. Examples of

implementation projects include adoption of a rezoning plan, designation of a special district, infrastructure development or improvement, property acquisition, development or rehabilitation of commercial, industrial, residential, community facility, recreational, or open space. This list is not exhaustive. Implementation projects vary widely across different BOA groups and BOA areas.

\* \* \*

\*The following terms are used interchangeably throughout the BOA Implementation Guide, though in a small number of instances the term "non-profit" is used more generally in reference to organizations that have not necessarily received a BOA grant:<sup>◊</sup>

**Community-based organization (CBO)**

**BOA group**

**BOA grantee**

**Non-profit organization / Not profit / Not-for-profit**

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<sup>◊</sup> Such is the case in the Chapter 2 discussion about partnering with private developers. The non-profit organizations in those cases were not necessarily recipients of BOA grants, and the development projects referenced were not necessarily part of a BOA plan or located within a BOA area. However it should be understood that all non-profit organizations are eligible for BOA grants, subject to the particular needs of their communities, and development-oriented organizations are considered to be good candidates.

## **CONSOLIDATED LIST of BEST PRACTICES**

### **Chapter 1: Property Owner Outreach Techniques**

1. First, identify the property owner(s) of Strategic Sites of interest. (p.22)
2. Leverage existing relationships and local networks to identify and obtain an introduction to key property owners within the BOA area for the ultimate purpose of achieving the Owner's "buy-in". (p.24)
3. Include a "personal touch" in the style and method of outreach with property owners. (p.26)
4. In order to avoid eliciting an adverse or threatened reaction, use discretion in raising environmental concerns with owners and focus on presenting the proposed vision for Strategic Sites to the owners. (p.28)
5. Focus conversations with property owners on the economic benefit of partnering and/or participating in the CBO's planning efforts. Be prepared before approaching a property owner by gathering pertinent site and market information. Come with a clear agenda and thought-out approach designed to engage interest and collaboration. (p.30)
6. Developing marketing, architectural, and graphic/visual materials for the BOA area and targeted sites that illustrate opportunity for revitalization of the subject property will help generate interest and enthusiasm from property owners. (p.33)
7. Focus energies on collaborating with property owners who are a) interested in the BOA effort, and b) are able to pursue projects in the medium-near term. (p.34)

### **Chapter 2: Building Capacity: Engaging Private-Sector Consultants & Partners**

1. Establish a coalition of non-profit groups to serve as either as joint BOA grantees or as a core group to help lead and administer the BOA effort. (p.37)
2. Establish a real estate advisory committee with local developers/realtors/government officials, either as part of the BOA Steering Committee or as a separate special task force. (p.39)
3. As part of building capacity to administer the BOA consider hiring an appropriate non-profit group, such as a Local Development Corporation (LDC), as a consultant to advise on the development of the BOA Plan and strategic sites, as well as serve as an intermediary with property owners. (p.40)
4. Hire a general BOA project manager to assist with setting clear implementation goals and to act as a liaison with consultants, property owners, and agencies. (p.42)

5. Engage a reputable planning consultant as a neutral third party to interface with property owners and governmental agencies on the BOA grantee's behalf. (p.44)
6. Engage a real estate project management consultant to coordinate and spearhead the development process on behalf of the CBO. (p.45)
7. Where necessary hire a real estate broker to assist in the identification of Strategic Sites and property owner outreach within the BOA. (p.46)
8. Engage legal counsel to become informed about environmental liability and risk, as well as structuring real estate transactions. (p.48)
9. Leverage resources and partner with a developer to bring Strategic Site plans to fruition. (p.50)

### **Chapter 3: Collaborating with Government Agencies**

1. Align and communicate with key agencies, like MOER and City Planning, from the outset of the BOA implementation process. (p.54)
2. Understand the stepped funding structure of the BOA program and timing-related challenges associated with the contractual process. Planning, investment, and project implementation can take years. (p.54)
3. Collaborate with key agencies in developing a shared vision for the BOA study area and actively work together to pool monetary and other resources throughout all stages of the planning process. (p.55)
4. Understand the specific role or function each city agency is prepared to undertake in moving the BOA Plan to completion. Recognize the institutional culture, jurisdictional restrictions and other limitations imposed on agencies. (p.57)
5. Recognize and utilize agencies' ability to convene sister agencies, and to assist BOA grantees in addressing complex planning and redevelopment issues. (p.58)
6. In this time of shrinking public budgets, explore innovative ways to leverage resources for planning and project implementation. (p.60)
7. Facilitate the acquisition and development of publically-owned property. (p.62)
8. For City Agencies: Recognize the leadership role of CBOs in their communities and understand the unique assets that BOA CBOs bring to local community revitalization efforts. (p.64)

## CHAPTER 1

### **Property Owner Outreach Techniques**

In order to advance and implement a vision or plan for a BOA Strategic Site conceived of during the stakeholder outreach process, a BOA grantee organization must be equipped to effectively engage the owners and operators of these properties. How is “successful” outreach defined within the context of the BOA program? The answer to this question depends upon the overall goals of the CBO. For organizations whose BOA program ultimately aims to produce an area-wide plan which contains specific recommended implementation projects, successful engagement of property owners involves enlisting their participation in the planning and visioning process, and ultimately obtaining their buy-in for targeted projects which are aimed at catalyzing the overall revitalization of the area. For organizations whose BOA program aims to directly implement development projects, successful engagement of property owners includes the broader participation described above, but also goes one step further by soliciting formalized partnerships with the property owners of Strategic Sites. The owner may agree to sell his or her property to the CBO or development team; the owner may wish to actively collaborate in a development project at his or her property; or the City may be the land owner and agree to convey property to the CBO or development team with the capacity to deliver a community-supported project.

Below are seven (7) Best Practices for effective engagement of property owners, a critical stakeholder group in the BOA planning and implementation process. These strategies were identified by community-based organizations and property owners themselves, and address direct outreach and relationship building techniques geared toward CBOs. Direct collaboration between CBOs and the property owner community is considered central to the BOA process which at its core aims to bridge public and private stakeholder groups. With a network of collaborative relationships between a BOA grantee organization and local property owners, implementation of a true community-driven plan may be realized.

In advanced stages of the Strategic Site planning process approaching the implementation phase, interactions with property owners may contemplate actual land transactions, at which time it often becomes appropriate to engage third party real estate professionals such as a real estate broker or attorney. Outreach techniques through third-party consultants are discussed at length in Chapter 2. However, from the outset of the BOA process it is imperative that a CBO establish relationships with property owners as a framework for future implementation efforts.

#### ***1. Identify the property owner(s) of Strategic Sites of interest.***

Identifying ownership of a privately held parcel of property can be a time consuming and costly process. Many owners of property go to great lengths to mask their identity to avoid a variety of issues not the least of which may be environmental concerns. Real estate holding corporations, the official taxpayer of record for many properties in the City, is a commonly used vehicle for property

ownership. Real Estate holding corporations which often have general and limited partners have no searchable data base in City records which will disclose individual stock owners. A search of State Attorney General corporate records, however, can lead to a name but not necessarily any contact information, or a series of additional related holding corporations.

Uncovering a property owner's identity in order to make contact and discuss your BOA Plans may therefore involve:

- Obtaining a title search on the property which will show all mortgages (if any)
- Contacting banks holding mortgages
- Interviewing adjoining property owners
- Discussion with local real estate brokers

### **Case Study: *Eastchester BOA***

SoBRO administers a Step 2 BOA in Eastchester, an industrial section of the Northeast Bronx with a heavy concentration of auto-dismantling facilities. The key objectives of SoBRO's Eastchester BOA efforts include green industrial development, working waterfront and maritime business development, and business attraction. SoBRO has been conducting due diligence on a prominent parcel of land in the Eastchester BOA, the Hexagon Laboratories site which closed its doors in 2006. This former 39,000 square foot pharmaceutical manufacturing plant had a long history of chemical spillage. Designated a US EPA Superfund Site in the late 1990s, the Hexagon site has undergone building demolition, soil and groundwater remediation and is slated to be reclassified as a "Class 3" site by the end of 2013, indicating that it no longer presents an environmental and public health risk. Despite being imminently developable, the site remains blighted and dormant, due in large part to a complex history of masked ownership.

SoBRO has been investigating site ownership since 2006 as part of a multi-step due diligence process to gain site control for the eventual redevelopment of the site. The first step, a title search, produced the name of an LLC linked to a defunct corporation. Next, SoBRO approached Bronx Community Board 12 and a neighboring property owner for more detailed history and ownership information. Utilizing this local knowledge, SoBRO engaged staff members in the environmental remediation and legal divisions at the NYS Department of Environmental Conservation (DEC), who were able to provide the contact information for one of the bankrupt corporation's shareholders.

At that point, to determine the most appropriate recourse for site acquisition, SoBRO consulted an attorney to assess the extent of liability for the potentially-responsible-parties (PRPs) of the superfund site. They determined that due to the exorbitant tax liens on the site (over \$4 million), an amount that far exceeds the value of the land, the owner would not profit from a land sale. Furthermore, in the event the owner came forward to sell the land, NYS DEC would likely bring legal charges against him for funds the state expended during the costly Superfund clean-up. Given these

circumstances, SoBRO is looking for alternate solutions to obtain title outside of a direct land sale. The transfer of title through a tax lien foreclosure process appears to be a more a viable path toward future ownership and land development.

**2. *Leverage existing relationships and local networks to identify and obtain an introduction to key property owners within the BOA area for the ultimate purpose of achieving the Owner's "buy-in."***

One of the strongest assets of a CBO is its network and relationships within the local community. When reaching out to property owners a CBO should tap into existing relationships to help orchestrate introductions to owners, especially owners of targeted BOA Strategic Sites. Established CBOs oftentimes have long-standing relationships with local businesses or property owners who may be clients or participants in the organization's programming or even serve as board members. Organizations may not need to look far in order to find allies who can assist with leveraging relationships; oftentimes board members, elected officials, or local businesses involved in the organization's general programming are well connected and can serve as networking liaisons for CBOs as they evaluate Strategic Sites. While cold calling can be effective occasionally, it is more likely to gain a property owner's trust if introduced by a mutual contact, such as a neighboring property owner or commerce or business association. Trusted third parties help assure property owners that a CBO is credible and well-intentioned.

For CBOs who are less immersed in the local property owner community, establishing a relationship with a local commerce or business association is a recommended way of building its network. The first step would be to meet with the executive director of the association to introduce the organization's mission, the BOA program, and the BOA community vision. Once an understanding is established, the CBO should participate in meetings and networking events and ask for direct introductions to business or property owners when appropriate.

CBOs administering a BOA grant should be sure to invite local property and business owners to join the BOA Steering Committee, and meetings/presentations should be held regularly so as to update the group and obtain continuous feedback. Inviting prominent business and property owners to join the BOA steering committee or requesting that they reach out to their neighbors regarding BOA efforts is the most direct way to tap into such networks. Furthermore, by including owners in the planning process, trust is established which lays the groundwork for collaboration.

Note that it may take time to engage a property owner's interest or gain trust, even if introduced through a credible or mutual source. Polite persistence by holding regular meetings with owners is the best method to build relationships and support for the organization and the BOA process, while also demonstrating the organization's commitment and seriousness about its planning and stakeholder engagement work.

### **Case Study 1: *Flushing BOA and the Chinese Business Association***

The Flushing-Willets Point-Corona LDC (FWCLDC) administers a Step 2 BOA grant in an industrial section of Flushing, Queens along the Flushing River waterfront strategically located adjacent to downtown Flushing. The focus of their BOA efforts has been to advance a mixed-use rezoning proposal and connect downtown Flushing with the waterfront. FWCLDC was recently established in 2007 and therefore did not begin BOA outreach efforts with a strong existing local network of property owners. The organization also faced the added challenge of language and cultural barriers in the predominantly Chinese speaking study area. As a result, FWCLDC elected to engage the Flushing Chinese Business Association (FCBA), a civic organization with hundreds of local businesses as members, as an outreach partner.

FWCLDC first developed a strong rapport with the executive director of FCBA by meeting and updating him regularly on the progress of the BOA effort. Over time the executive director gradually became more comfortable building a relationship with FWCLDC and the BOA planning work, and then began introducing FWCLDC to local owners. FWCLDC generally reaches owners initially through FCBA or a trusted neighbor, and then returns monthly for individual visits to remind owners of their planning intentions in the area and the projected benefits to the community. Through such diligent and coordinated outreach efforts, FWCLDC has established strong relationships with twelve (12) property owners of Strategic Sites. Most importantly, these relationships have proven extremely valuable in being introduced to additional property owners.

### **Case Study 2: *Lower Concourse BOA***

The Lower Concourse BOA, administered by SoBRO, includes a mile-long strip of waterfront land along the Harlem River which was rezoned from manufacturing to mixed-use in 2009. Key components of the Lower Concourse BOA include mixed-use site planning and creation of waterfront access. SoBRO has been providing services to South Bronx communities since 1972 and therefore enjoys well-established relationships with businesses, property owners, and community groups. One such local entity is the Harlem River Yards Ventures, a principal of which sits on SoBRO's board of directors. In 2006, this individual introduced SoBRO to a waterfront property owner who for decades has leased his property as a parking lot for school buses; SoBRO has maintained a relationship with this property owner ever since.

In 2011, when SoBRO set out to explore development potential along the Harlem River under its BOA program, SoBRO reached out to a waterfront owner whose property is directly in the study area. Given the area's recent rezoning to a mixed use MX zone, this owner, interested in pursuing redevelopment of his land as a residential complex, in line with SoBRO's BOA objectives, assisted SoBRO in reaching out to other adjacent waterfront owners and introduced SoBRO to his neighbor who operates a paper manufacturing and storage plant. SoBRO held multiple one-on-one meetings with each of these two owners, described the area's potential for redevelopment given the new zoning, offered to use BOA resources to explore design and development opportunities, and introduced the idea of the property owners' involvement in future development deals. SoBRO and

the BOA program were received extremely well, and SoBRO proceeded to send letters of interest to the other property owners along the waterfront. With their consent, SoBRO included the original two property owners as references in the letters of interest, and asked them to assist with making follow up calls to the other property owners to encourage their involvement. Through these efforts SoBRO was able to convene seven (7) owners at a meeting where SoBRO presented the BOA program and opportunity to collaboratively create a vision for the waterfront and perform high level design and development analysis for each property. Again, the overall effort was well received and SoBRO was able to build its network of property owners in the BOA area.

Today, the entire group enthusiastically awaits the design work commissioned by SoBRO to be funded with BOA resources. Furthermore, the two (2) original property owners are considering a partnership to assemble and develop their properties jointly as one project. In this instance, property owners immediately saw the potential benefit of engaging their neighbors and participating in a broader effort. The targeted site planning process currently underway, SoBRO continually encourages waterfront property owners to provide feedback in order to ensure that the end product is of use to them and that their participation is maintained.

### ***3. Include a “personal touch” in the style and method of outreach with property owners.***

One of the most effective outreach strategies that BOA grantees have used is the door-to-door approach. A personal visit is the ideal way to make a connection, introduce the organization, explain interests and goals, show consideration of the property owner’s interests, and build a relationship. Dedicating the time and effort to regularly meet with a property or business owner face-to-face, on an individual basis, demonstrates the CBO’s commitment and seriousness toward its planning and stakeholder engagement work. CBOs should make clear that they are available to owners in the interim by email and phone should they have questions, concerns, new ideas or informational needs. Furthermore, while there are various types of consultants that may be enlisted to lead or support outreach efforts, a CBO is the ideal point of contact for property owners and other stakeholders, especially early on in the planning and outreach process when consensus and relationship building is most important. CBOs are true community representatives with on-the-ground understanding of the local landscape, local needs, and the local vision, who likely intend to maintain a long-term presence in the area. Early on, outreach performed by an outside consultant should be reserved for cases where reaching a property owner has proven to be particularly difficult for the CBO. Consultants, such as brokers, may however be a more appropriate choice in later stages when outreach becomes focused on land transactions.

In addition, for many property owners, meeting in person is a matter of convenience. As business owners who often manage all aspects of their day-to-day operations, they often lack the time to email or schedule conference calls about issues beyond pressing business. Catching property and business owners in person is often the best way to capture their attention and gain on-the-ground information simultaneously.

A more subtle recommendation related to engaging the participation of property owners is to visit and enlist as many as possible, even though they are not all owners of targeted “Strategic Sites.” Property owners resist being “singled out,” and respond more positively when informed that they are part of broader initiative that seeks to work with all property owners to maximize the potential of the area. A good strategy then is to visit all owners in the BOA area and emphasize the goal of area-wide improvement; this connotes that individual properties are part of something larger. Make sure the owner understands that BOA and planning goals aim for mutual benefit to all stakeholders in the area, and that cooperation is necessary to achieve results. An owner should come to realize that improving his or her property value is, in large part, contingent upon activity and momentum within the surrounding area and that BOA efforts can only increase his/her bottom line.

### **Case Study 1: Newtown Creek BOA and the Newtown Creek Alliance**

The Greenpoint Manufacturing and Design Center (GMDC) completed a Step 2 BOA along Newtown Creek in Greenpoint, Brooklyn in 2012 which prioritized green infrastructure, industrial development, and waterfront access. At nearly 1,000 acres with hundreds of property owners, outreach for the Newtown Creek BOA was a daunting task. To complicate matters, around the same time GMDC kicked off its outreach process, the Newtown Creek was designated as a Superfund site by the US Environmental Protection Agency (EPA). Property owners were therefore initially skittish about engaging in a state-sponsored planning effort for fear they could be targeted as “potentially responsible parties” (PRPs) for the creek’s contamination. Superfund-related outreach was simultaneously being conducted by the New York City Department of Environmental Protection (DEP) and the United States Environmental Protection Agency (EPA) from which the BOA community engagement process needed to be distinguished.

Recognizing the significant task at hand, GMDC initially hired a private planning firm to lead BOA outreach and visioning efforts. The firm performed outreach at a distance, however, and failed to produce “on-the-ground” information reflecting immediate local concerns and needs. GMDC therefore replaced the consultant with a local non-profit organization, the Newtown Creek Alliance (NCA), who assumed responsibility of spearheading the outreach. NCA took a door-to-door approach, speaking to over 400 property and business owners. One important issue that emerged was the need for waterfront bulkhead repairs in order for waterfront businesses to operate optimally and safely. Many businesses faced challenges satisfying wetland restoration requirements imposed by the NYS Department of Environmental Conservation (DEC) in order to issue permitting for bulkhead improvement. Under BOA NCA and GMDC collaboratively developed a database whereby property owners could exchange information about property available for wetland mitigation uses, and simultaneously began an advocacy campaign with the DEC to streamline and make more accessible the permitting process. By taking an in-person approach to outreach, the GMDC team was able to learn about the pertinent needs of the community and then use the BOA as a platform for actively addressing these issues with regulatory stakeholders. Simultaneously, the BOA team was able to differentiate between BOA and superfund-related efforts being undertaken by other agencies, and alleviate owners’ concerns about being targeted as potential responsible parties (PRPs)

for the creek's contamination. Property owners were receptive, and strong relationships were established.

### **Case Study 2: WHEDco**

The Women's Housing and Economic Development Corporation (WHEDco) is a Bronx-based local economic development organization involved with affordable housing, workforce development, commercial revitalization, and family support programs. WHEDco takes a multi-pronged approach to real estate and community development which involves deep engagement of the community, merchant organizing, and educational programming. When beginning commercial revitalization work in an unfamiliar neighborhood, WHEDco makes a point of building relationships with local property and business owners to create a shared vision for neighborhood economic improvement. When approaching owners, WHEDco emphasizes its role as a fellow property owner as opposed to a social service organization, and builds relationships based on mutual interest in local property values and the future of the area. It is from this standpoint of mutual benefit that the organization solicits engagement and input from the community which turns into an economic development strategy.

In the example of WHEDco's merchant organizing efforts on Southern Boulevard, a commercial corridor in the Morrisania section of the Bronx with a high commercial vacancy rate, WHEDco approached owners from the standpoint of shared interest in property values. Owners responded well, and WHEDco proceeded to share the results of resident surveys which indicated a high incidence of "retail leakage" or money spent outside of the community. This data stimulated productive conversations with property owners and encouraged them to invest in attracting the lacking retail sectors to the area. Ultimately, after a nearly two (2)-year merchant organizing effort, the commercial vacancy on this strip of Southern Boulevard has decreased from twenty-four percent (24%) to thirteen percent (13%). Through a carefully designed marketing and commercial revitalization strategy that enjoyed broad support from property owners as well as residents - encompassing the survey, establishment of a merchant organization, and marketing efforts - WHEDco was able to implement a feasible plan that proved mutually beneficial. This case study demonstrates the importance of generating a shared vision with property and business owners as a viable strategy for implementation.

\*It should be noted, that although WHEDco is neither a BOA grantee nor applicant, the organization's work and overall community-based approach is highly relevant to BOA, making WHEDco a good model and candidate for BOA.

**4. In order to avoid eliciting an adverse or threatened reaction, use discretion in raising environmental concerns and focus on presenting the proposed vision for Strategic Sites to property owners.**

When approaching property owners for participation in the BOA process, whether as community stakeholders developing a vision for the area or as owners of strategic sites targeted for acquisition or redevelopment, emphasize the opportunity for collaborative exploration rather than passing

judgment on current land use, imposing one particular vision, or focusing on environmental liability. CBOs should be careful not to develop a vision for privately held land before engaging land owners. A vision or plan created in the owner's absence and presented as the "established" community vision will likely displease the property owner and reduce the likelihood of enlisting his or her collaboration. The BOA program should be presented to property owners early on in the visioning process in an effort to minimize the possibility of an owner feeling imposed upon by outside parties planning the reuse of his or her property. Furthermore, without property owner participation, such preconceived visions will face immense hurdles to implementation.

Another recommendation is to avoid focusing on environmental liability during early conversations with property owners. Referring to a property as a "brownfield" or "distressed property" can be counter-productive because it connotes low value and high risk due to historic uses that may have caused subsurface contamination. Chances are that property owners in BOA or industrial areas are concerned about environmental liability. Whether a property is a former scrap metal yard, a current manufacturing plant, or sits adjacent to a Superfund site, the word "brownfield" tends to cause anxiety. Owners may also be unfamiliar with the varying possible degrees of contamination and liability, and upon hearing "brownfield" immediately assume the worst.

Instead, refer to sites as "underutilized" or "formerly industrial," descriptions that may be associated with a property or area's potential for positive transformation. By framing the site in a positive light, the property owner will view it as an asset rather than a liability and be more likely to entertain a discussion of the site's reuse potential. Use this window of opportunity to discuss the economic growth trends in the emerging area and the site's reuse potential. As a relationship is fomented and opportunity established, environmental issues should be broached by painting a realistic, non-threatening picture of the site's environmental profile, while educating owners about available brownfield cleanup programs and other resources that address liability and cost issues. These conversations may be initiated by a CBO, perhaps in conjunction with an environmental, legal, or real estate professional with expertise in such areas who can answer nuanced questions and help to alleviate concerns. (Strategies related to engaging consultants are discussed at length in Chapter 2).

### **Case Study 1: *Sunset Park BOA and SBIDC***

The United Puerto Rican Organization of Sunset Park (UPROSE), an environmental justice group, completed a Step 2 BOA in the industrial section of Sunset Park, Brooklyn. The organization's primary BOA goals are the expansion of the green manufacturing sector and the creation of waterfront open space. The Southwest Brooklyn Industrial Development Corporation (SBIDC), a member of the BOA consultant team, was tasked with conducting initial outreach to property owners of potential Strategic Sites to gauge interest in pursuing redevelopment. At the outset of their work, SBIDC often referred to sites as "brownfields" and the neighborhood as a "BOA community." SBIDC quickly learned, however, that these labels elicited negative perceptions from both property owners and community groups; owners were concerned about the un-quantified risk associated with the brownfield designation, and community groups resisted the association of their neighborhood with

dirty or dangerous environmental conditions. As outreach progressed, both with the Sunset Park BOA and later, the Gowanus Canal BOA, SBIDC de-emphasized the brownfield label and learned to present BOA as a value-added proposition, a strategy which proved successful. While they note the importance of educating property owners about environmental risks, they recommend reserving those conversations for after the property owner's interest to participate as a partner in the visioning process has been enlisted.

### **Case Study 2: Jamaica Station BOA**

The Greater Jamaica Development Corporation (GJDC) is currently completing its Step 3 Implementation plan for downtown Jamaica, Queens, where the land use of some neighborhoods is dominated by scrap metal yards. GJDC's BOA plan focuses on economic revitalization and mixed-use transit-oriented development. Chasson Associates LLC, a local property owner says that current land values in the area are so depressed that property owners "can't give land away." He expressed that while many property owners would like to see their junkyards redeveloped, investors worry about environmental liability. Though a number of large-scale projects have been undertaken, this property owner believes that the majority of under-utilized property would have been sold long ago if environmental issues were not present.

Though scrap metal activity is not generally considered to be environmentally friendly, in reality the majority of land in the industrial section of Jamaica most likely faces only light to moderate contamination levels as opposed to severe contaminants. This property owner therefore sees the need to "demystify" brownfields and educate owners about pathways to addressing liability such as the city or state brownfield cleanup programs. He recommends educating real estate brokers about brownfield issues and helpful resources as a way of delivering this information to property owners and expanding the market for industrial and brownfield-impacted properties.

**5. Focus conversations with property owners on the economic benefit of partnering and/or participating in the CBO's planning efforts. Be prepared before approaching a property owner by gathering pertinent site and market information. Come with a clear agenda and thought-out approach designed to engage interest and collaboration.**

Building on #3 above, CBOs should understand and design their approach around the fact that property owners are most interested in creating increased value in their property, and therefore will typically not show a great deal of interest if a conversation is approached solely from a community or environmental-benefit perspective. Conversely, property owners show great interest if a CBO provides valuable economic benefit information. Recommended strategies include:

*Offering to conduct zoning, design, and/or economic feasibility studies at no cost to the property owner.* An excellent way of introducing the BOA program to property owners is to offer BOA funding for undertaking economic and design analysis that is intended to show the owner his or her property's "highest and best use." Highest and best use is defined by The Appraisal Institute in the 2013 edition

of *The Appraisal of Real Estate* as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." Highest and best use analysis looks at legality, physical feasibility, and financial viability of the intended use, and assists owners, developers, and lending institutions in maximizing return. When the prospect of obtaining this valuable information is presented to property owners at no out-of-pocket cost, collaboration with the CBO becomes a compelling proposition. Once this initial threshold has been crossed, broader community benefits may be introduced into the discussion.

*Approaching conversations from a mutual-benefit perspective, and coming prepared with hard economic benefit data.* When initially reaching out about a re-use proposal for a site, CBOs should be prepared to present data that demonstrates economic opportunity for the property owner; e.g. of leasing their space for particular uses, "greening" their property, selling, redeveloping to highest and best use, or merely participating in a meaningful planning process aimed at improving the value of the overall area in the longer term. CBOs and BOA teams approaching property owners should be armed with market and transactional data that support a case for mutual benefit to both the property owner and the community, should the owner explore new uses for his or her site or become a partner in planning and visioning for the area's future. Specifically, if a CBO has a vision for a particular property, the owner should be approached with quantitative information that shows economic opportunity such as revenue generation and increased property value. Examples of data indicators likely to pique the interest of property owners include:

- Economic development trends in the area or surrounding areas
- Market demand data
- Rental and sales comparables
- Potential return on investment and cash flow projections
- Type of uses and buildable square footage or unit numbers allowable by zoning
- Local rental rates for proposed uses
- Construction costs
- Environmental remediation costs
- Proposed funding mechanisms
- New land value after project completion

In later stages of owner outreach, when conversations focus on land transactions, having a well-defined project concept or business plan, identified acquisition funding/financing, and an assembled project team (project partners, architect, etc), facilitates productive discussion. Whether reaching out independently or through a broker or other third party, an organization with a well-thought-out project plan that can show interest or financial commitments from lending institutions or funding agencies will be viewed by a property owner as a viable buyer worthy of serious consideration.

Taken as a package, this level of preparedness provides a strong basis for negotiation. Hiring a professional with expertise in generating these items is an eligible use of BOA funds that helps lead directly to implementation. Best Practices related to hiring consultants is discussed at length in Chapter 2.

### **Case Study 1: Jamaica Station BOA**

The Greater Jamaica Development Corporation (GJDC) is currently completing a Step 3 Implementation strategy which focuses on economic revitalization and mixed-use transit-oriented development in downtown Jamaica, Queens. GJDC has dedicated a significant portion of its BOA funding to developing marketing materials for Strategic Sites and to help brand the general area, which prove useful in engaging the interest of both property owners and potential investors and developers. GJDC carefully vets the language that appears in visual printed materials and presentations, avoiding emphasis on BOA program-related details and jargon, such as the three (3)-stage funding process, work plan items, final report requirements, and terminology such as “Pre-Nomination” and “Nomination Study.” Instead the organization focuses on the economic opportunity of investing in the burgeoning transit-rich area and the fact that funds are available under the BOA program to assist with pre-development and other implementation-related activity which enhances the economic feasibility of any project. GJDC also offers to leverage its strong community relationships to garner support for projects. By framing the benefits of the BOA program in a way that speaks to its target audience (i.e. investors and developers who drive implementation), these key stakeholders are not deterred but rather intrigued by the prospect of opportunity.

### **Case Study 2: Lower Concourse BOA**

SoBRO administers the Lower Concourse BOA which includes a mile-long strip of waterfront land along the Harlem River which was rezoned from manufacturing to mixed-use in 2009. SoBRO delivered a comprehensive presentation to waterfront property owners about the BOA program and the opportunity it affords the individual property owners and the general area, especially in light of the new zoning which greatly expands development potential and enhances land valuations. From the outset, SoBRO focused on its capacity (under BOA) to fund a full-scale analysis of realistic but visionary development opportunity within the Harlem River waterfront district, taking into account both public access and community amenity concerns as well as economic benefit bottom line interests of property owners. SoBRO commissioned a study (currently underway) that will integrate zoning analysis, bulk and massing diagrams, waterfront public esplanade design, and a set of sustainability guidelines which taken together will provide a realistic sense of what is buildable under the complex zoning regulations - in terms of residential, commercial, and community facility square footages, number of units, and other potential uses. This tool will allow SoBRO or other future partners to hone in on specific projects of interest and undertake further financial feasibility modeling and pursuit of capital funding that advances project implementation. Property owners enthusiastically accepted SoBRO’s offer to commission the design study, recognizing that the BOA would deliver work products of value to them at no cost.

**6. Develop marketing, architectural, and graphic/visual materials for the BOA area and targeted sites that illustrate opportunity for revitalization of the subject property will help generate interest and enthusiasm from property owners.**

Utilizing BOA contractual dollars to generate marketing materials for the area can be an enormous asset when reaching out to owners. Marketing materials that are attractive and easy to read are likely to pique owners' interest in developing their sites and can also be used in attracting the interest of potential investors. Such materials help create a sense of excitement and possibility, as well as assist in advancing projects toward implementation. Branding campaigns can also play a crucial role in improving perceptions of a neighborhood and attracting investment.

Marketing materials can take the form of postcards, brochures, street banners, or websites and should combine local market data with attractive visuals of the area that reflect the local culture and area's assets. Most importantly, marketing efforts should utilize the results of comprehensive market and demographic analysis to capture the attention of primary and secondary consumer markets.

**Case Study 1: Jamaica Station BOA**

As mentioned above, the Greater Jamaica Development Corporation (GJDC) has dedicated a significant portion of its BOA funding to development of marketing materials for the general Jamaica, Queens area as well as for specific BOA Strategic Sites. Marketing efforts focus on attracting commercial development in the transit-oriented downtown, and prove useful in engaging the interest of both property owners and potential investors and developers. The consultant team engaged by GJDC first conducted over 750 online and mail-in surveys with a range of local stakeholders throughout the BOA area to determine what type of retail and commercial development would be most desirable and appropriate. Next, the team performed a careful analysis of "leakage" to identify the retail sectors for which residents leave the neighborhood. This data will be analyzed and incorporated with architectural rendering and street/infrastructure design materials as an attractive marketing package aimed at drawing investment to the area.

In addition to using the above-mentioned marketing materials for branding and business attraction, the economic analysis performed was also incorporated into development Requests for Proposal (RFPs) for two (2) sites controlled by GJDC located in close proximity to the AirTrain station serving JFK International Airport. The first site, a 58,000 square foot commercial lot owned by GJDC, will be a new mixed-use structure including housing, ground floor retail, and parking. The second site, a 10,000 square foot site owned partially by the MTA and partially by GJDC, currently houses MTA loading docks and GJDC's marketing center. It will be developed into a new hotel with ground floor retail. Proposals were received in October of 2012 and are currently under review.

**Case Study 2: WHEDco**

The Women's Housing and Economic Development Corporation (WHEDco) is a Bronx-based local economic development organization involved with affordable housing, workforce development, commercial revitalization, and family support programs. In the example of WHEDco's merchant

organizing efforts on Southern Boulevard, a commercial corridor in the Morrisania section of the Bronx with a high commercial vacancy rate, WHEDco undertook a postcard campaign, launched a website, and created brochures to reach out property owners through various means. Multiple, varied communications, with an emphasis on visual representation of an area's opportunity, elicit excitement and demonstrate persistence which is often necessary in order to reach and engage busy residents, property and business owners. WHEDco's postcard campaign incorporated neighborhood statistic data such as consumer trends, vacancy rates, leakage, and other findings of the market study, and directed readers to the website which served as the public face of the commercial revitalization effort. All materials were branded with a logo designed specifically to give the area a fresh, united identity. WHEDco finds these strategies to be successful in capturing owners' interest initially and maintaining their involvement over time. Meetings of business owners enjoy substantial turnout, and WHEDco has managed to establish many strategic local relationships.

**7. Focus energies on collaborating with property owners who are a) Interested in the BOA effort, and b) are able to pursue projects in the medium-near term.**

There is a wide range of property owners that CBOs should expect to encounter during BOA outreach: owner-operators, lessees, absentee owners, speculators, realty companies, and various permutations of those categories. As stated throughout this chapter, it is important to reach out to all owners for participation in the planning process; however CBOs should identify and target those owners who are willing to actively consider development of their properties. BOAs may avoid targeting property owners who are "speculators" with no immediate interest in selling or assuming any risk associated with development. In looking for viable Strategic Sites, CBOs may consider targeting property or business owners who are savvy within the real estate arena and motivated by the prospect of creating value in the medium term as opposed to carrying low- or non-income generating property into the long term. A CBO may also target owners who are actively interested in selling, or ready to retire. Owners within these categories are likely to be open to partnering with a CBO or prospective buyer-developer, and that willingness could be the determining factor in whether or not plans for a Strategic Site reach implementation.

Due to the constraints of the BOA program, owners interested in pursuing development in the medium-term (within the next 2-3 years) are the ideal candidates to target. Owners interested in pursuing development in the short-term (within approximately 1 year) are likely to resist the program's prolonged timeline, as well as the protracted timeline associated with securing many publicly sponsored capital subsidies such as the New York Acquisition Fund or New Construction dollars administered by the NYC Department of Housing Preservation & Development (HPD). Owners interested in pursuing development in the long-term are less viable partners especially given the BOA program's increasing focus on implementation. Owners that plan to sell or develop in the medium-term thus best match the goals of the program and the CBO.

### **Case Study 3: JGSC Group**

The JGSC Group, a planning and economic consulting firm that has worked closely with several BOA grantees and other organizations including Greater Jamaica Development Corp, Northfield LDC, WHEDco, SoBRO, and several BOA groups in Long Island. JGSC encourages their clients to reach out to property owners in person. JGSC abides by what they have coined the “10-80-10 Rule” to determine which owners to target. The “10-80-10 Rule” assumes that ten percent (10%) of property owners will prove to be “low-hanging fruit” who undoubtedly will support a CBO’s efforts without any hesitation; ten percent (10%) will be permanently suspicious of and oppose a CBO’s efforts; and eighty percent (80%) will be neutral, possibly unresponsive at first, but have the potential to be engaged. JGSC group recommends that CBOs hold property owner meetings periodically and analyze turnout results to strategize as to which owners require a personal visit. According to JGSC, the focus of one-to-one outreach should be obtaining buy-in from the neutral eighty percent (80%).

### **Case Study 1: EWVIDCO**

The East Williamsburg Valley Industrial Development Corporation (EWVIDCO), an industrial business development service provider based in North Brooklyn, is currently completing a Step 2 BOA grant. EWVIDCO’s Strategic Site objective is development of industrial space and business attraction. The organization identifies owners open to selling and then designs a development program and finds appropriate end users. EWVIDCO is actually able to finance the acquisition of these sites by tapping into a special fund administered by the community board in collaboration with NYCEDC which was established in 2005 as part of a community benefits agreement in the North Brooklyn area after the rezoning resulted in a significant loss of industrial land.

The application processing and turnaround period for securing individual acquisition grants is typically 2-3 years. EWVIDCO was turned away by several motivated owners when they learned of the prolonged acquisition and closing timeline. As a strategy to reach owners who would accommodate the organization’s timing needs, EWVIDCO began targeting owner-operators potentially interested in selling their business or nearing retirement age. They reasoned that owner-operators early in their career are immersed in day-to-day business operations and likely have less time to dedicate to participation in BOA, and likely less interest in selling or redeveloping their properties. Owners at later stages of their career, however, would tend to have more time and flexibility to think broadly about the future, and to participate in a local neighborhood planning process. These owners may also have the flexibility to wait several years for a deal to close as opposed to being highly motivated. And lastly, business owners in this age bracket with well-established enterprises would be more likely to have surplus capital to invest in real estate.

In order to identify this segment of the community, EWVIDCO reached out to existing contacts that matched this criteria with and were successful in identifying a husband and wife who were ready to sell their 23,000 square foot manufacturing facility within the following few years, and willing to accommodate the timing of EWVIDCO’s acquisition funding. EWVIDCO plans to redevelop and reconfigure the building, currently designed for a single tenant, to accommodate four (4)

manufacturing businesses. The current owners will become one a tenant and EWVIDCO will identify three (3) new tenants. Once development plans are firmly in place, EWVIDCO will market the site to potential users. Currently, EWVIDCO has a tentative agreement with the seller, subject to the City's acquisition funding process.

## CHAPTER 2

### **Building Capacity: Engaging Private-Sector Consultants and Partners**

While the Brownfield Opportunity Areas (BOA) Program is increasingly focusing its efforts on facilitating physical development of Strategic Sites, not all community-based organizations have either a real estate-related mission or the expertise necessary to carry out complicated real estate based development projects. Community-based organizations (CBOs) with primarily social missions, such as environmental justice, advocacy, youth services, or educational services, typically need to enlist professional expertise to address the development and implementation aspects of the BOA program. While such organizations tend to spearhead extremely effective stakeholder engagement and visioning processes, engaging the right set of professionals can provide the critical set of skills that are necessary to transform elements of the vision into transaction-driven projects.

Enlisting strategic partners to create the capacity for a CBO to undertake real estate development projects can be undertaken in many ways including aligning with other CBO non-profit organizations or LDCs, or engaging private-sector professional services. The structuring of a successful BOA team will depend upon the particular set of goals and stage of the planning or implementation process that is being addressed. As a CBO BOA grantee completes the visioning and stakeholder engagement process, develops a conceptual idea of what type of development is of interest, and identifies potential strategic development sites, they may wish to consider engaging a partner or consultant with real development experience to help them with the implementation phase of their project.

This chapter outlines nine (9) Best Practices identified by BOA grantees, other non-profits, and the private sector as effective ways to build capacity specifically related to advancing BOA Strategic Sites toward implementation and development. Best Practices appear sequentially with later strategies corresponding to more advanced stages of implementation and targeted development.

#### ***1. Establish a coalition of non-profit groups to serve as either as joint BOA grantees or as a core group to help lead and administer the BOA effort.***

The BOA process is a multi-faceted planning effort, and not all community-based organizations have the relevant experience necessary to lead such an initiative unilaterally. One way to address this is to establish a coalition of non-profit organizations, who share a similar overall vision for an area, to collaboratively lead the BOA process. Member organizations can bring a range of expertise and interests to the table such as land use planning, real estate development, and stakeholder engagement. The benefit of the coalition model is that, by exploiting each member's strengths, the team can build the full capacity needed to address and integrate the diverse facets of the BOA program, which involves an all-encompassing planning effort. As an example, organizations with expertise in the real estate arena would naturally take the lead on Strategic Site selection, property owner outreach, and site planning, while their BOA partner, a social justice or advocacy organization,

spearheads general community outreach and visioning. Working as a coalition thus allows for broad and targeted stakeholder outreach while undertaking intensive real estate due diligence. This model also offers member organizations an opportunity to gain exposure to real estate practices.

It is important to note that this model can lead to operational and decision making complications and challenges due to the overlapping interests and roles of member organizations. For the BOA coalition model to work, it is essential that the partner organizations clearly establish the following *from the outset*:

- 1) Consensus and articulation of project goals and deliverables to result from the BOA process
- 2) Division of labor, clear delineation of roles and responsibilities between both individuals and organizations.

With regard to clear delineation of project objectives and roles, it must also be noted that external and internal circumstances will generally change and require some flexibility on the part of member organizations to adapt to the vagaries of the development process. This must be recognized by grantees and coalition members from the outset.

In the case of a BOA coalition with multiple member organizations, it is recommended that the coalition be a fully staffed and independently functioning entity. This allows for focused and impartial coordination of the BOA process and helps prevent the BOA efforts from becoming entangled with competing initiatives of the various member organizations.

#### **Case Study 1: *Coalition for the Improvement of Bedford-Stuyvesant (CIBS)***

A coalition of four (4) not-for-profits in the Bedford-Stuyvesant neighborhood of Brooklyn applied jointly for a Step 2 BOA grant in 2012, and continues to await an award decision. The four organizations include Bedford Stuyvesant Restoration (Restoration), Bridge Street Development Corporation (BSDC), Northeast Brooklyn Housing Development Corporation (NEBHDCO), and Pratt Area Community Council (PACC), each of whom will focus on one of the three (3) subzones that comprise the forty (40)-acre BOA area. The group has also partnered with the Coalition for the Improvement of Bedford-Stuyvesant (CIBS), an independently staffed neighborhood coalition of twenty (2) non-profit organizations established in 2006. CIBS membership represents a diverse range of social missions and constituencies, and is therefore well-suited to lead the broader BOA outreach and community visioning process while the four (4) development-oriented BOA grantee organizations will focus on the identification of Strategic Sites and prospective implementation projects. The collective expertise of these groups sets the foundation for a comprehensive BOA effort.

#### **Case Study 2: *North Brooklyn Industrial Business Zone (IBZ) BOA***

In the example of the North Brooklyn IBZ BOA, both East Williamsburg Valley Industrial Development Corporation (EWVIDCO), an industrial business development service provider and Saint Nicks Alliance, a community development corporation that develops affordable housing joined together to

undertake their BOA initiative. They jointly pursued a Step 1 BOA grant in 2004 and completed the effort in 2008. Consequently the coalition was awarded a Step 2 BOA grant in 2011, an effort which is currently underway. A central goal of the North Brooklyn IBZ BOA is to access an existing site acquisition fund wholly dedicated to industrial development efforts in the area; the BOA program effort is seen as a pathway to generating project plans and securing these funds for implementation.

While EWVIDCO and Saint Nick's have enjoyed mutual benefits in their BOA partnership, there have been challenges throughout their tenure as BOA partners, from both a programmatic and administrative perspective. On the programmatic side, the groups' alliance ensures that the BOA planning process addresses and balances the local needs for both industrial space and housing. The two organizations help to expand one another's local networks by sharing contacts, and collaboratively facilitating community outreach and formation of the overall BOA vision. Under the Step 2, EWVIDCO and Saint Nick's plan to focus in parallel on Strategic Site projects consistent with their respective areas of expertise.

On the programmatic side, the two organizations have assumed different levels of responsibility and leadership at different phases of the eight (8)-year BOA process. While Saint Nick's was initially the lead applicant, staffing capacity issues dictated that EWVIDCO take a greater lead at certain junctures. Thus, while the co-grantees struggled at times to effectively administer the contract, they were able to rely on their partnership to help them through difficult times. The partnership of EWVIDCO and St. Nicks demonstrates the need for flexibility in thinking and the need for not-for-profits to recognize their need to rely on others to assist them in coping with BOA related challenges. Even when delineating partnership terms and roles from the outset, circumstances may call for flexibility and restructuring. In this case, the coalition of the two groups enabled the partnership to complete the BOA process successfully.

***2. Establish a real estate advisory committee with local developers/realtors/government officials, either as part of the BOA Steering Committee or as a separate special task force.***

For those BOA grantee organizations with limited or no real estate experience, it is recommended that real estate professionals be included among the members solicited to serve on the BOA Steering Committee. Alternatively, so as to maintain a focus on targeted development and implementation, a BOA group may form a sub-committee comprised of land owners, investors, lending institutions, brokers, developers, real estate and tax attorneys, and/or development-focused public agency representatives. In this manner, the focus on Strategic Sites and their implementation will not be lost within the broader planning objectives led by the general Steering Committee. Convening real estate professionals allows a CBO to access sound recommendations on how to position properties for development and approach property owners in order to implement development of Strategic Sites. Such a group may offer specific advice related to acquisition, financing, design, and other implementation activities for each Strategic Site. A member of the planning team could be an effective facilitator between the real estate professionals and the CBO. It should be noted, however,

that BOA Steering Committee members are precluded from being contractually engaged as BOA consultants.

\*Although this particular strategy has yet to be implemented by a BOA grantee organization, the idea was recommended by the Executive Director of the Fifth Avenue Committee and is deemed a valuable contribution to this guide.

**3. Hire an appropriate non-profit group, such as a Local Development Corporation (LDC), as a consultant to advise on the development of the BOA Plan and strategic sites, as well as serve as an intermediary with property owners.**

Partnerships between mission driven BOA grantees generally prove beneficial due to the high levels of their respective commitment to the community development process. Ideally, a CBO without real estate expertise can develop a relationship with a development-oriented non-profit such as an LDC whose mission, while complementing the CBO's, brings a strong development track record to the table. After identifying an appropriate non-profit partner to help advance their BOA effort, the CBO may enlist a partnership using one or a combination of the following models:

- 1) *Hire the non-profit partner as a consultant (using BOA funds) to assist with Strategic Site selection and early due diligence.* Activities may include property owner outreach, financial feasibility analysis, identification of private sector development partners, identification of capital funding sources, and/or a myriad other activities traditionally performed by a development consultant to help advance a development project. As the site selection and due diligence process unfolds the CBO and the non-profit development oriented agency may even decide to form a joint venture partnership to undertake the development project.
- 2) *Select a BOA consultant that is sensitive to the particular needs of working closely with a non-profit organization or LDC.* The issuance of a Request For Proposal that seeks to retain professional services for the purposes of completing either a Pre-Nomination or Nomination Study by documenting existing conditions of the targeted area, or identifying potential Strategic Sites to catalyze investment and economic growth, is an important tool for the CBO to use throughout their BOA process. Well structured RFPs can effectively target the right private planning firms, urban design companies, and market analysis experts needed to advance a particular CBO's BOA project. It must be noted that while these firms deliver excellent technical, analytical and graphic work, such as mapping, demographic trends, land use, transportation, infrastructure and market conditions, they tend to be less rooted in the community than an LDC. Therefore, having a development minded-representative, which has the interests of the Community as its prime directive, can help direct the technically oriented consultant team throughout its analysis and recommendations as well as focus the effort necessary to advance Strategic Site development, a task which is generally not part of the planning team's expertise.

Thus, while it may be a BOA grantee's inclination to hire a private sector consultant to conduct outreach and planning activities, a local group with strong ties to the business and property owners in the community may have a distinct advantage over a private group with no experience in the area. Established local groups bring name recognition with property owners and may be familiar enough with the local landscape to know which owners to target and which to avoid, thereby improving efficiency of the outreach effort.

### **Case Study 1: *Sunset Park BOA***

The United Puerto Rican Organization of Sunset Park (UPROSE) is an environmental justice group whose work involves community advocacy and youth programming. UPROSE administers a BOA in the industrial section of Sunset Park, Brooklyn which focuses on creation of waterfront open space and expansion of the green manufacturing sector. In order to expand the reach of their BOA community participation efforts, UPROSE engaged the Southwest Brooklyn Industrial Development Corporation (SBIDC), a local development organization with over three decades as a business advocate and services provider in the Sunset Park, Red Hook and Gowanus neighborhoods. Initially, SBIDC sat on UPROSE's BOA Steering Committee and lent support through the early stages of the planning process. When UPROSE issued an RFP for urban design and advanced planning SBIDC elected to join a responding consultant team and consequently relinquished membership on the BOA steering committee in order to avoid any conflict of interest. SBIDC believed that their continued contribution to the Sunset Park BOA would be more valuable through a formal consulting capacity than in an advisory capacity on the Steering Committee.

SBIDC joined the Sunset Park BOA consultant team in 2010 as a sub-consultant under the lead of WXY Architecture. SBIDC was charged with handling the outreach efforts to gauge property owner interest in pursuing redevelopment within the BOA district. SBIDC's strong existing rapport with local businesses eliminated the need for cold calling and allowed for smooth preliminary conversations about the BOA program and its objectives. In this manner, SBIDC established preliminary contact with property and business owners which paved the way for the other members of the consultant team to join the conversation. SBIDC's local knowledge proved to be a major asset to UPROSE and the consultant team during the outreach process. SBIDC worked closely with about twenty (20) property owners to gauge interest in local development at prospective strategic sites and to educate owners about the opportunities and challenges of brownfield redevelopment. Education became a key component of the BOA outreach effort as property owners expressed interest in learning about the range of tax incentives and funding opportunities available for brownfield investigation, cleanup and redevelopment. Although no concrete plans for strategic sites emerged during the Step 2 process, the outreach work garnered local support for the area-wide BOA plan and laid an important foundation to enlist support for future development plans to be pursued under Step 3.

This model of collaboration between UPROSE and SBIDC was successful in large part because the two organizations recognized their differing roles in the community as an opportunity for synergy.

The BOA process became the platform for the two groups to pursue their respective missions in parallel.

**4. Hire a general BOA project manager to assist with setting clear implementation goals and to act as a liaison with consultants, property owners, and agencies.**

For CBOs that lack the staff resources or prior experience to closely manage the multi-faceted BOA planning process, hiring a third party project manager or grant administrator can help keep the BOA process on point by meeting contractual requirements and content production milestones. Ideally, such a project manager should contribute real estate and planning expertise and be able to act as an intermediary between the BOA grantee organization, property owners, prospective partners, city and state agencies, and other stakeholders. In some cases property owners or agencies may even find it preferable to deal with an “objective” third party.

To be most effective, the BOA group must build a strong relationship with the third party project manager and maintain consistent, frequent communication. Perhaps the non-profit is able to dedicate an office space to such a consultant. Close communication or proximity will ensure that the project manager’s representation of the grantee remains accurate and that all decision-making responsibility lies with the purview of the BOA grantee organization. In addition to the slew of private consulting groups that offer general project or grant management services, several organizations offer BOA Program-specific project management services (see Appendix A).

It is imperative that a project management consultant have an in-depth understanding of the BOA Program so that a CBO’s application and work plan are designed to maximize use of grant funds and take advantage of the full breadth of eligible activities, while also meeting programmatic and regulatory requirements. In developing work plans BOA groups may also enlist guidance from DOS staff or MOER (discussed further in Chapter 3).

**Case Study 1: New Partners for Community Revitalization (NPCR)**

Under their START-UP program (Strategic Technical Assistance Resources Targeted to Underutilized Properties) NPCR provides technical assistance to BOA grantees to advance community-supported brownfield redevelopment projects. NPCR has performed consulting services for a number of BOA groups throughout the State of New York, including UPROSE and HCCI. In these examples the CBOs lacked sufficient in-house capacity or prior experience with the BOA program to adequately scope their BOA work plan and manage the many facets of the BOA process.

In the case of HCCI specifically, the organization applied for a Step 1 BOA grant in 2005. Due to contracting delays on the part of NYS Department of State (DOS), HCCI initiated its community outreach and visioning process before the funding actually came through several years later. This process began by identifying prospective Strategic Sites as well as important planning issues that warranted additional funding more consistent with Step 2 of the BOA process. HCCI engaged NPCR to assist with preparing an application for supplemental funding to cover urban design work related

to neighborhood connectivity and walkability as well as a study of opportunities for green infrastructure, land assemblage, and development; and expanded community outreach work. In this manner, NPCR's guidance allowed HCCI to become aware and take full advantage of the possibilities under the BOA program, both in terms of funding and eligible activities to advance their objectives and goals not specifically detailed in the official DOS guidance document.

In addition, both UPROSE and HCCI benefited from project administration assistance provided by NPCR. While the CBOs took the lead in community outreach, strategic site selection and visioning, NPCR's activities included record-keeping, invoicing, managing the consultant procurement process, monitoring consultant work, and reviewing consultant deliverables. NPCR's previous experience and in-depth understanding of the BOA program positioned them to assist the CBOs in developing clear, focused work plans structured so as to maximize use of the grant dollars. NPCR facilitated clear and consistent communication between the CBOs, consultant teams, and the Department of State to ensure that work products met programmatic requirements while incorporating the unique vision and plan of the CBO and its community. NPCR's liaison role with DOS proved especially valuable; having an established relationship with the agency (through its extensive advocacy work) allowed for quick, easy access to clarification or programmatic guidance when needed.

This alliance between NPCR and the CBO proved successful in allowing both UPROSE and HCCI to conduct sophisticated BOA programs that accurately reflected their respective missions and community visions, while expanding the breadth of work they could have otherwise accommodated.

### **Case Study 2: Pratt Center for Community Development ("Pratt Center")**

The Pratt Center was engaged by Cypress Hills LDC to help facilitate management of the Cypress Hills/East New York BOA, a Step 2 program that focuses on the creation of mixed-use affordable housing, open space, and green manufacturing. The Pratt Center functioned in part as a planning consultant and in part as a general project manager; however these roles involved some overlap. On the planning side, Pratt completed an analysis of existing conditions as well as a study of how to expand the local manufacturing sector. Responsibilities involved data collection, mapping, report content (writing and editing); and developing recommendations. On the project management side, Pratt Center assumed responsibility for planning and facilitating community workshops and charettes, producing workshop materials, and documenting and analyzing workshop outcomes. As the Step 2 activities drew to a close, the Pratt Center also prepared a Step 3 BOA funding application on behalf of Cypress Hills LDC. Meanwhile, Cypress Hills LDC handled contract management, monitored consultant work, managed overall project schedule, arranged meetings with individual stakeholders, and co-facilitated community participation events.

This arrangement between Pratt Center and the BOA group proved effective in advancing through the BOA process, generating the community vision and requisite final report products, identifying Strategic Sites and developing feasible redevelopment plans, and applying for advanced funding under the BOA program to reach the implementation phase. Without the assistance of the Pratt

Center, Cypress Hills LDC would have been significantly more challenged to deliver in an efficient and timely manner. The Pratt Center has also provided general project management services for the Gowanus BOA and the South Bronx Waterfront BOA.

**5. Engage a reputable planning consultant as a neutral third party to interface with property owners and governmental agencies on the BOA grantee's behalf.**

As mentioned in Chapter 1, it is imperative that CBOs come equipped with economic and other quantitative data, as well as a clear development agenda when they approach property owners, City, State or Federal agencies or developers to engage them in either an area planning process or particular property. The same holds true in approaching both private-sector developers and investors. It may prove beneficial to enlist a planning or real estate professional to accompany or represent a CBO during conversations with these groups when the conversation is focused on real estate-related matters. Professionals in the real estate field bring a matter-of-fact communication style and set of transaction-related skills that will prove to be more successful in advancing conversations or negotiations related to property acquisition and redevelopment than discussions related to "community concerns" or agendas. Professional representation of this sort lends additional legitimacy to the group and its goals for the area.

Involving a consultant in discussions regarding implementation of a particular Strategic Site will prove especially helpful in cases when there is hesitation on the part of the private owner to deal with the CBO due to the fact that property owners or developers may not view a CBO as having the capacity to bring a project to fruition. Agencies with control of public land may avoid discussions with CBOs if they are not presented with a viable, well thought-out plan for the property's reuse; one that is consistent with its own agency priorities. A consultant can assist in moving such conversations forward, by helping CBOs gain an understanding of the property owner or agency's concerns or needs and then work to address these needs while at the same time keeping the CBO's priorities at the forefront. It is the consultant's responsibility to present the cost/benefit of a particular community driven BOA vision for a project whose audience is both the individual property owner as well as other stakeholders in the community. In dealing with agencies, a consultant may present feasible site plans incorporating sophisticated economic and design analysis, speak to the critical path for implementation, and clearly state specific needs or agency requests.

Planning consultants who understand the community's development goals can serve as key advisors for the BOA group by preparing for and engaging stakeholder interest and facilitating productive conversations about site acquisition and reuse. It is recommended that BOA grantees vet consultants for this skill set as a facilitator of dialogue, over and above the analytical and technical skills required to complete the BOA report.

**Case Study: Sunset Park BOA**

The United Puerto Rican Organization of Sunset Park (UPROSE), an environmental justice group based in the industrial Sunset Park section of Brooklyn, completed a Step 2 BOA in 2013. Primary

goals of the BOA planning work were (and continue to be) the expansion of the green manufacturing sector and the creation of waterfront open space. It became imperative for UPROSE to establish a working relationship with NYC Economic Development Corporation (NYCEDC), as three Strategic Sites targeted by the organization are owned by the City of New York and controlled by NYCEDC. NYCEDC joined the BOA Steering Committee and participated in conversations about the community's vision for these sites: a 100,000 square foot site with two vacant industrial buildings, a 40,000 square foot site with a vacant manufacturing building, and a site with a severely contaminated two (2) story vacant building.

During the stakeholder outreach and visioning process it became clear that NYCEDC's intentions for the City-owned property differed in certain key respects from the vision UPROSE was developing. Specifically, NYCEDC did not consider certain BOA Strategic Sites viable for redevelopment. To help facilitate productive dialogue with the agency, UPROSE enlisted the assistance of their planning team, including WXY Architecture and HR&A Advisors, to interface with NYCEDC. In addition to bringing expertise in general real estate and economic development strategy, WXY had recently completed a separate project for NYCEDC in the same area - the 2009 Sunset Park Vision Plan - which gave the firm first-hand knowledge of the agency's development priorities, credibility from the agency's perspective, and created professional relationships with agency staff. UPROSE recognized the added value the planning firm would bring in advancing productive conversations with for the purpose of aligning NYCEDC's development objectives with UPROSE's BOA plans. UPROSE's consultants independently met with NYCEDC to set a context for the BOA effort and to establish a rapport with NYCEDC prior to UPROSE staff joining the conversations. Throughout the process of engaging NYCEDC, UPROSE also enlisted the assistance of other key agencies as detailed in Chapter 3.

Ultimately, the successful outcome of these collaborations resulted in NYCEDC's support for UPROSE throughout the Regional Economic Development Council (REDC) application process. With NYCEDC's support, UPROSE succeeded in securing \$1.2 million in Regional Economic Development Council (REDC) funding in partnership with the NYC DOT to implement the Sunset Park Upland Connector, a livable streets project that supported the agency's 2009 Sunset Park Vision Plan. As part of this plan, for the 46<sup>th</sup> Street corridor, the team will design streetscape improvements including sidewalk enhancements, bioswales, as well as pedestrian and bicycle connectivity to the forthcoming Bush Terminal Park and Sunset Park Greenway. Effective outreach to NYCEDC was instrumental in building a case with the REDC.

**6. Engage a real estate project management consultant to coordinate and spearhead the development process on behalf of the CBO.**

CBOs that lack real estate experience are unable to independently manage a real estate development project from start to finish. Therefore, once a clear project concept has been established, a CBO must consider engaging a development consultant to act as a project manager and/or depending upon

the circumstances act as either the CBO or owner's representative by being charged with coordinating the many activities and players that ultimately bring the development project to fruition. Initially, the project manager explores design alternatives and financial modeling, investigates prospective sources of development financing, and makes sure all pertinent players, such as property owners and regulatory agencies, are engaged in the process. As the project gains momentum, the project manager typically designates a project team (development partner(s), architect, legal counsel, contractor, funders, lenders) and coordinates those activities associated with advancing the project towards completion, including site acquisition, financing, design, permitting and commencing construction. In developing a project concept for the CBO and its partners, the project manager may be charged with the responsibility of compiling the materials necessary to show project feasibility and readiness in order to make a compelling presentation to property owners, real estate brokers, or attorneys necessary to help advance the project's implementation. The costs for such a consultant may, after consultation with DOS, be funded using BOA resources, and/or may be incorporated as a line-item in the project's development budget to be reimbursed at the time funding is officially secured. Hiring a project management consultant relieves the CBO of the burden of this major, multi-faceted effort which can span several years.

\*Although no case study exists as yet for this strategy, it was recommended by SoBRO and deemed noteworthy for inclusion in this guide. It is anticipated that this strategy will prove extremely helpful as BOA grantees in New York City approach the implementation phase, at which time they are expected to facilitate development projects.

### ***7. Hire a real estate broker to assist in the identification of Strategic Sites and property owner outreach within the BOA.***

For those non-profit groups with a clear development plan, the services of a real estate brokerage professional can be of great assistance both with identification of appropriate development sites as well as in effective engagement of property owners. For optimal effectiveness, a CBO should ideally approach a broker once it has developed a project concept, identified or secured a source(s) of acquisition funding, and has assembled a project team (e.g. architect, legal counsel, joint venture partners, financial institutions). With a plan and development resources in hand, both the broker and property owners/prospective sellers will see that the CBO is serious about carrying out a transaction and will likely commit the time and effort necessary to vet the sites development together with the organization.

A broker can be helpful in cases where a CBO lacks strong ties to the property owner community or has little deal-making experience. During the outreach process, a broker will help frame conversations to effectively engage an owner's interest and maintain a transaction-oriented focus. Acting independently a CBO may be inclined to emphasize its own mission or vision for the area, which may or may not be of interest to a property owner. In some instances, a CBO may be perceived as a governmental or quasi-governmental entity that possess regulatory enforcement or

eminent domain authority, and thus may be regarded suspiciously by property owners. Owners may be especially sensitive when approached to discuss redevelopment opportunity and/or environmental contamination issues that trigger liability concerns. Alternatively CBOs may be seen as non-credible business associates due to concerns about the organization's financial standing or credibility, their association with "unfriendly" City agencies, their capacity to provide guarantees and/or sufficient upfront capital, or the organization's inability to close in a timely way by their reliance on publically-sponsored financing. As mission-driven groups that rely on government-sponsored grants and/or private charitable contributions, non-profits are often seen as risky players in property acquisition, master-lease structures, or other real estate-related based transactions. As a neutral third party representing the non-profit, a broker can bypass potential communication issues, help to allay such concerns, and advance productive conversations with private property owners.

A broker can be especially helpful in the price negotiation process. As experts with on-the-ground knowledge of the real estate market and local landscape of property types (i.e. vacant lots, property for sale, leasable space, square footage and other specifications) and listings, brokers bring expertise in presenting hard data and real estate comparables that reflect true market value and economic feasibility of working with a non-profit's financing mechanisms. A broker can help conduct purchase price negotiations and protect against inflated pricing that can result from a seller's awareness of the non-profit's access to low-cost or subsidized acquisition financing, or as a result of long closing timelines often associated with non-profit acquisitions.

### **Case Study 1: Cypress Hills LDC and Cornerstone Group Realty Services**

Cypress Hills Local Development Corporation (Cypress Hills LDC) administers the Cypress Hills/East New York Step 2 BOA grant in Queens, a program that focuses on the creation of affordable housing, open space, green manufacturing, and health. Through the BOA process Cypress Hills LDC designed and programmed a mixed-use affordable housing project to include fifty-eight (58) units of low-income housing, an 8,000 square foot grocery store, an 8,000 square foot playground and garden, an exercise room, and a community facility space. When looking for suitable development sites, however, the organization encountered challenges in advancing conversations with property owners who tended to inflate prices or resist doing business with them for reasons similar to those described above.

Cypress Hill LDC had previous experience collaborating with the brokerage firm Cornerstone Group Realty Services LLC (Cornerstone Group) to acquire land for development of a charter school, and therefore recognized the value that a broker could add in identifying suitable project sites and effectively reaching and negotiating with property owners. Similarly, for the BOA project, Cornerstone engaged owners on Cypress Hills LDC's behalf to build rapport and have preliminary discussions about purchase price. Once a site was selected, Cornerstone introduced the organization to the seller and helped to negotiate a purchase option agreement to secure the property and compensate the owner during the extended closing period associated with using the New York Acquisition Fund.

The option agreement was compelling to both parties and Cypress Hills LDC successfully acquired the BOA site in 2011. The site has since been rezoned to allow for increased residential bulk and density, and the groundbreaking is scheduled for May of 2014.

### **Case Study 2: Staten Island EDC and Gateway Arms Realty**

The Staten Island Economic Development Corporation (Staten Island EDC) has a well-established working relationship with Gateway Arms Realty (Gateway), a full service real estate firm that regularly partners with or serves in an advisory capacity for Staten Island EDC's initiatives. In 1998-9, SIEDC partnered with Gateway on the Staten Island Hub District, a program run by the NYCEDC that incentivized businesses to locate in Staten Island and other targeted sections of New York City. In this initiative, Staten Island EDC and Gateway worked in tandem to achieve programmatic goals: Gateway marketed various commercial sites, identified prospective buyers or tenants, and represented property owners. Conversely, Gateway referred new owners and tenants to Staten Island EDC, who provided technical assistance, business development support and access to financial incentives such as grants, low-cost financing, and tax abatements. By offering a well-rounded menu of services to attract and mobilize new businesses, this collaboration served to strengthen Staten Island's commercial sector and revive under-used real estate assets in the community. .

\*It should be noted that Staten Island EDC is a prospective, not current, BOA grantee, but was selected for inclusion as a case study because of their relevance as a non-profit organization benefiting from collaboration with real estate brokerage services. This may serve as a model for non-profit BOA grantees/CBOs.

### **8. Engage legal counsel to become informed about environmental liability and risk, as well as structuring real estate transactions.**

Legal counsel may be sought for various reasons and at various junctures of the BOA process. Depending on the particular site, legal matters may relate to brownfield concerns or non-environmental, "typical" issues associated with property acquisition or development.

In the earlier stages of due diligence for a property of interest to a BOA group, environmental concerns may emerge based on the site's current or historic use. It is important to gain an understanding of possible risk, remediation, and liability issues which will need to be resolved if a land purchase or development plan is to be implemented. By consulting with an environmental attorney, a BOA group will acquire pertinent information to be communicated to property owners or prospective developers. Legal counsel can also advise BOA groups on matters related to locating and working with an absentee owner or landlord, a situation which is common for brownfield sites.

In more advanced stages of the Strategic Site process, and especially if a BOA group intends to directly acquire or develop a property, legal assistance and representation through the transaction process surrounding environmental issues will be needed. In addition to environmental concerns, counsel is necessary to help coordinate other matters as well; structuring the terms of a purchase

and sale, creating a joint venture, drafting agreements for partnerships, coordinating title and survey work, reviewing loan documents, addressing tax issues, and securing environmental liability protection. In land sale transactions, both buyer and seller are represented by legal counsel to ensure each party's short and long-term interests are protected. Non-profits may be able to identify and engage a law firm that will agree to defer all or a portion of its payment until a closing is reached.

It is recommended that CBOs take advantage of the Pro-Bono Referral Service offered by the NYC Brownfield Partnership. Experienced real estate, environmental and tax attorneys participating in this program provide up to two hours of free consultation to non-profit organizations interested in re-positioning brownfield sites. A good first step toward familiarizing the CBO with the environmental regulatory arena, this service provides an introduction to environmental liability, Remedial Action Work Plans (RAWP), and other brownfield-related development issue. After initial counseling the non-profit may negotiate a discounted or "concessionary" rate with law firms, environmental engineers and related consultants who are members of the Partnership. Such firms may be identified by referencing the list of Qualified Vendors maintained by the Mayor's Office of Environmental Remediation (MOER) or through referrals from members of the NYC Brownfield Partnership.

#### **Case Study: Lower Concourse BOA**

SoBRO engaged pro bono legal advice from a member of the NYC Brownfield Partnership regarding a complicated Strategic Site in the Lower Concourse BOA. The site, a vacant former gasoline station with an absentee owner, is encumbered by over \$4 million in city tax liens which have been accruing interest for nearly two decades, plus a \$500,000+ environmental lien imposed by NYS Department of Environmental Conservation for having performed emergency cleanup of a petroleum spill in the 1990s. The site also will require additional remediation if residential or mixed use development is undertaken.

Early on in SoBRO's BOA process as the organization was selecting Strategic Sites, the property owner entertained selling the site to SoBRO, however it became clear that SoBRO could not immediately take on the tax lien and environmental liability. SoBRO began an advocacy campaign with both the City and State of New York to reduce or remove the tax and environmental liens so that an economically feasible development project could be pursued. With an undefined timeframe for acquisition, however, the property owner became unreachable.

SoBRO obtained pro-bono legal counsel who drafted initial purchase and sale terms for the property during the time that the owner was involved. However counsel advised SoBRO to make the effort of clearing the liens before taking title, thereby eliminating burdensome risk. The attorney then proceeded to accompany SoBRO in its advocacy efforts with the relevant city and state agencies to address the exorbitant lien amounts and advance a mixed-use development project that would bring affordable housing and retail amenities to the community. In lieu of compensating the attorney for his time in this endeavor, it was agreed that, should the project move forward, the attorney would be formally engaged to represent SoBRO in the site's acquisition and development.

**9. Partner with a private developer to bring Strategic Site plans to fruition. Approach developers with a clear understanding of the resources that the non-profit brings to the table.**

In New York City, between the 1980s and early 2000s, it was not unusual for non-profits to acquire City-owned land for \$1.00 or use the New York City Acquisition Fund to finance land purchases and pursue development projects as sole developers. As government funding and vacant publicly-owned property has become less available, non-profits and CBOs have routinely partnered with developers (private or non-profit) or real estate investors who have the expertise and capacity to fund pre-development activities for the purpose of developing residential and commercial projects throughout the City. In order to attract such a partner, the non-profit organization must typically contribute something of value to the partnership and project. An organization can leverage:

*Land.* Attracting a development partner works especially well if the CBO owns property that it wishes to develop or rehabilitate, and can provide the land as its contribution to the project. By providing the land, the CBO can truly leverage its vision for the site's end use without necessarily needing to be development experts. Organizations that own or have site control of a property, as well as a development vision for that property, are in the best position to engage a development partner.

*Funding.* Non-Profits have access to sources of development and pre-development funding that private for-profit entities do not. The contribution of pre-development funding offsets the amount of upfront capital needed to launch the project, which is attractive to a prospective partner in that it reduces their risk exposure. Alternatively, non-profit eligibility for low interest loans or tax credit financing make partnering with a non-profit attractive. It is recommended that CBOs offer to act as a conduit in applying for such funding on behalf of a project. A detailed list of publically and privately-sponsored funding sources may be found in the Appendix.

*Community Relationships.* Development groups find it advantageous to work with a local, well-established CBO that can leverage its strong relationships with a particular community board, community group, or local elected official. In a neighborhood where a developer is less familiar, this partnership structure offers an introduction to local stakeholders by a trusted member of the community. Developers recognize that community support is essential to delivering bringing a project to fruition.

By leveraging land, alternative funding sources, and community relationships, a CBO may position itself as a development partner, joint project owner, project sponsor, end user, and/or community partner providing input or oversight throughout the site planning and design process.

While some development-minded CBOs have long-standing relationships with private developers, networking is generally a necessary first step in building such partnerships. Many private companies look to "give back" by supporting or collaborating with social mission-driven organizations. City agency contacts can be a resource for introductions in this sector, as well as networking events such

as those hosted by the New Partners for Community Revitalization (NPCR) that attempt to bring the BOA non-profit community together with the private development community. A CBO may invite a developer(s) to participate on the BOA Steering Committee or even reach out about a specific project idea.

**Case Study 1: *Phipps Houses and West Harlem Group Assistance (WHGA)***

Phipps Houses, one of New York City's largest non-profit developers of affordable housing, has undertaken joint venture projects with both for-profit and other non-profit partners. Non-profit partners have included West Harlem Group Assistance, Inc. (WHGA), Harlem Congregations for Community Improvement (HCCI), and West End Residences. In neighborhoods where Phipps has less community presence, partnering with local CBOs enhances their reputation with the local community board and other stakeholders.

In one instance, Phipps partnered with WHGA, a housing and supportive services organization, to develop the Dempsey Apartments, an eighty-unit low income housing project located in central Harlem. The two organizations leveraged their assets and strengths; WHGA had control of the site, formerly owned by the New York City Human Resources Administration (HRA), and was able to leverage its strong community ties. Phipps brought its extensive development and management expertise, as well as its long-standing relationships with New York City and State housing agencies and private lending institutions to the project. Phipps took the lead throughout the development process and assumed day to day management responsibilities after the building was placed in service. WHGA acted as a co-developer, owns an interest in the property, and manages the adjacent Oberia D. Multi-Service Center on behalf of HRA, a comprehensive social services and community center. The development also included the renovation of the community center's children's playground. Both Phipps and WHGA continue to retain an ownership interest in the project. This mutually-beneficial partnership structure thus allowed both parties to advance their missions, build their respective real estate portfolios, and offer much needed housing and services in a community of need.

**Case Study 2: *L&M Development Partners and ECDO***

A private developer of affordable and market rate housing and mixed-use projects, L&M Development Partners routinely structures joint ventures partnerships with non-profit organizations. L&M's joint venture projects assume a range of structures. In most cases, L&M focuses on the project's underwriting, financing, and construction, while the non-profit manages the property after completion and/or provides social services. Typically a non-profit will approach either an L&M or similar developer with a land and a development concept, but will lack the capacity to obtain development financing. In other circumstances the non-profit may elect to solely act as a social service provider, property manager, or marketing partner. As L&M explains, the company does not necessarily take the lead in its joint ventures, but rather assess the project's needs and partner's preferences. Such flexibility and consideration has garnered long-lasting relationships with many non-profit organizations.

For example, in partnership with the *Ecumenical Community Development Organization (ECDO)*, L&M recently completed the rehabilitation of sixteen (16) properties, consisting of 232 units of housing, owned by ECDO in Harlem. Originally renovated by ECDO in the late 1990s using low income housing tax credit financing, the project reached "Year 15" of the tax credit compliance period and was therefore eligible to restructure ownership and invest in capital upgrades to the apartments, building systems, and grounds. L&M bought a fifty percent (50%) ownership interest in the project, applied for a new round of tax credits, secured new financing, and rehabilitated the structures. In addition, L&M assumed management of the properties and was able to significantly reduce operating expenses. Today ECDO maintains a fifty percent (50%) ownership interest in the properties and performs the day-to-day tenant services. In this case, ECDO was able to leverage its existing buildings and community presence to form a lucrative partnership with L&M and successfully reposition languishing properties that serve the housing needs of the neighborhood.

## CHAPTER 3

### **Collaborating with Governmental Agencies**

This chapter includes eight Best Practices for engaging and collaborating with governmental agencies to advance Brownfield Opportunity Area (BOA) implementation projects. Governmental agencies, at the City and State level, are an essential stakeholder group to be involved throughout the BOA process; from early community planning through implementation and development of Strategic Sites. Agencies working with land use, development policy, land ownership and disposition, transportation, public infrastructure, housing, building codes, business assistance, environmental issues, and other arenas provide invaluable feedback and support related to project feasibility and availability of public resources to promote project implementation.

Early on in a planning process, agency engagement may take the form of membership on a BOA Steering Committee; in advanced stages an agency may adopt a BOA project for incorporation into its own capital budget and plans, or may become involved as a permitting authority, land owner or funder negotiating terms of acquisition and/or capital financing. It is thus critical to solicit agency involvement from the outset of the BOA planning process. The strategies discussed below involve core principals of:

- relationship-building with agencies relevant to a CBO's targeted implementation projects,
- alignment of BOA goals and agency priorities whenever possible in order to enlist mutual support of shared goals and to avoid duplication of efforts, and
- leveraging scarce resources including funding and staff capacity.

As mentioned in the introduction, the Best Practices presented in this chapter reflect and expand upon the findings of the NYC Brownfield Capacity Building Initiative (referred to as "CBI") which took place between June 2010 and March 2011. The series of workshops facilitated by MOER and NPCR aimed to strengthen lines of communication and cooperation between BOA grantees and City agencies. Each Best Practice lists specific recommended strategies in bullet-point format, and highlights particular strategies most pertinent to Implementation. Highlighted strategies are identified in bold type-face and expounded upon through narrative explanation and case studies. (Note: Best Practice #7 was not part of the CBI findings, but rather was newly added for this Implementation guide.)

**1. *Align and communicate with key agencies from the outset of the BOA implementation process.***

This strategy is integral to effective collaboration with agencies throughout the BOA and/or development process; it therefore appears consistently throughout all of the Best Practices that follow. Recommended strategies include:

- During preparation of the BOA application contact relevant City Agencies in order to share information about the proposed BOA study area boundaries and goals and solicit preliminary input;
- In addition to soliciting feedback from Agencies on proposed BOA goals, CBOs should solicit baseline information from City Agencies on plans they may have in the BOA study area that are relevant as well as obtain information regarding existing and emerging plans Agencies may have that will impact the BOA study area; and
- Identify, where possible, a single point of contact to facilitate communication between a BOA CBO and City Agency's bureaus and office units.

**2. *Understand the stepped funding structure of the BOA program and timing-related challenges associated with the contractual process. Planning, investment, and project implementation can take years.***

This is a broad and vital best practice that supports understanding of the overall BOA program and helps manage the expectations of both CBOs and agencies as regards the BOA program.

Recommended strategies include:

- It is important to set expectations for the CBO and Agency partner in the context of BOA programmatic steps and internal process;
- City Agencies that are of primary relevance to the preliminary goals of the BOA should be identified early and participate in the Steering Committee;
- Build long-term relationships among CBO and City agency key staff;
- Recognize that there will likely be staff departures (both at the CBO and at City Agencies) during the tenure of the project necessitating the two bodies work together to maintain seamless communication;
- CBOs and participating City Agencies should develop and regularize a schedule for checking in and exchanging information and reports; and
- CBOs and City Agencies should value and respect each others' time by developing meeting agendas, being prepared for meetings, assembling information requested by the other party, and conducting timely follow-up.

### **3. Collaborate with key agencies in developing a shared vision for the BOA study area and actively work together and pool resources throughout all stages of the planning process.**

Alignment of agency and CBO goals early on sets the foundation for ongoing dialogue that leads to productive long-term partnerships and success during the implementation stage of the BOA process. The following strategies are recommended for effective collaboration:

- CBOs, with City Agency input, should strive to ensure that goals for the project are realistic, feasible and implementable;
- Where City Agency plans for a BOA study area require ULURP actions, such as a proposed zoning change or disposition of City-owned property, possible differences between BOA plans and City Agency plans should be resolved before commencement of the ULURP certification and the start of the formal review process;
- Where inter-agency collaboration is required, a lead coordinating agency should be identified as being responsible for coordination and follow-up;
- **Cooperatively use BOA resources to commission studies or reports that will facilitate aligned CBO and City Agency interests.**
- **Formally engage a local governmental agency to undertake BOA studies such as land use or transportation analysis; and**
- **Pursue a BOA grant jointly with an agency as co-applicants.**
- **Ensure that the CBO is viewed as a partner by the Agency.**

These highlighted strategies are especially helpful in cases where a BOA grantee shares planning and development-related goals with a particular agency, and where close collaboration around the BOA process proves to be mutually beneficial. For example, shared goals may relate to land use and rezoning, open space, transit or infrastructure improvement, waterfront revitalization, industrial retention or business assistance. The CBO may utilize and build upon existing agency studies that provide a framework for generating advanced studies and facilitating implementation projects supported by BOA. From this standpoint, it may prove most cost effective for a BOA grantee to actually “hire” an agency deeply immersed in the study area as opposed to a consultant without pre-existing local relationships. Alternatively, the CBO and agency may elect to jointly commission a BOA study or other contracted activity that serves mutual goals.

An agency involved from the outset in the BOA process may build upon studies conducted by the CBO, such as a Pre-Nomination or Nomination study, which provide a framework for the agency’s advancing implementation efforts such as rezonings, infrastructure enhancements, or releasing a development RFP for publically-owned land, to name a few examples. Implementation efforts advanced by agencies that are supported by the BOA group may under certain circumstances be funded, in whole or in part, using BOA funds.

Opportunity for these types of collaboration underscores the importance of maintaining relationships between CBOs and agencies so that each is aware of the other’s work. Communication at this level

helps avoid duplication of efforts and helps encourage efficient use of scarce resources. However, CBOS should be aware that agencies have mandated standards and requirements for studies that they must abide by. In these instances, it is best to carefully plan out how one work product can best meet the requirements of both entities. With tight collaboration, municipal support becomes built into the planning and implementation effort. The agency partner can leverage its relationships with other governmental/political stakeholders to obtain support and pursue additional city, state, or federal funding to advance projects, while gaining access to key stakeholder groups “on the ground,” including property owners.

As per Best Practice #1 above, it is crucial to clearly delineate project goals, partnership terms, and roles/division of labor from the *outset* under any collaboration structure.

### **Case Study 1: Port Richmond BOA**

When Northfield LDC was awarded a Step 1 BOA grant in 2010, the Staten Island borough office of the Department of City Planning (DCP) and New York City Economic Development Corporation (NYCEDC) had recently completed Staten Island’s North Shore 2030 Strategic Plan. The North Shore 2030 Plan included a thorough analysis of existing conditions as well as recommendations focused on supporting new retail services and jobs, strengthening the working waterfront, and introducing new open space and waterfront access. These goals aligned directly with Northfield LDC’s objectives for the BOA, so the organization engaged DCP as a BOA consultant to produce a BOA study that built upon the North Shore 2030 Plan. DCP representatives initially served on the Port Richmond BOA steering committee and later recused themselves in order to assume the role of a planning consultant for the BOA.

Although awarded a Step 1 BOA contract, in light of the recent completion of the North Shore 2030 Strategic Plan, Northfield LDC received special dispensation from the NYS Department of State (DOS) to focus BOA efforts on activities typically undertaken as part of Steps 2 and 3 of the BOA process. Specifically, five (5) Strategic Sites were identified, vetted by the community, and evaluated for redevelopment potential. In this case, the agency and CBO mutually benefited: the City’s strategic plan allowed Northfield LDC to conduct advanced, site-specific planning work under their first BOA grant, and the City stood to benefit from seeing real implementation projects rise out of its planning efforts in the North Shore.

The agency-CBO relationship between Northfield LDC and DCP also fomented a strong outreach effort whereby each party leveraged its network of relationships. DCP engaged closely with NYCEDC’s Maritime Support Services group, the Department of Parks and Recreation, and other civic/community groups that had participated in the North Shore 2030 Plan visioning process. Simultaneously Northfield LDC engaged property owners and other local community stakeholders. The resulting broad outreach ensured that stakeholders representing a range of interests and resources were represented in the BOA process.

## **Case Study 2: Cypress Hills/East New York BOA**

Cypress Hills Local Development Corporation (Cypress Hills LDC) was awarded its Step 2 BOA grant in 2011, and is currently nearing completion of that contract. Under the Step 2, the organization worked closely with the Brooklyn office of the Department of City Planning (DCP) to consider potential sites and areas appropriate for rezoning from lower to higher density residential and mixed-use in order to encourage new investment and specifically, development of affordable housing. Cypress Hills LDC identified Strategic Sites within these areas.

Concurrent with the Step 2 process, DCP applied for and was awarded a federal grant under the New York - Connecticut Sustainable Communities Consortium in 2011 to focus on the area that was co-terminus with the BOA. The New York - Connecticut Sustainable Communities Consortium, administered collaboratively by three agencies (US Department of Housing and Urban Development, US Department of Transportation and US Environmental Protection Agency), identifies opportunities to increase mixed income housing, improve transit, create safer streets, and increase availability of healthy food options. Recognizing the overlapping principles and objectives of the two programs, particularly related to housing, Cypress Hills LDC and DCP decided to jointly pursue Step 3 BOA funding which could be leveraged with the resources provided by the New York- Connecticut Sustainable Communities Consortium. Together, if selected, the funding will allow DCP to undertake a full-scale rezoning analysis and Cypress Hills LDC to undertake site-specific development analysis and facilitate outreach efforts within the community.

### **4. Understand the specific role or function each city agency is prepared to undertake. Recognize the institutional culture, jurisdictional restrictions and other limitations imposed on agencies.**

This best practice emphasizes the importance of CBOs familiarizing themselves with stated agency roles, responsibilities and priorities in order to maximize collaboration efforts from the outset of advancing implementation projects. Recommended strategies include:

- Recognizing the mandated role of Community Boards in City Agency planning procedures; building connections with Community Boards will enhance communication;
- Understanding that City Agencies must attend to both regional and local community needs, while balancing a multiplicity of stakeholder perspectives;
- Recognizing that City expenditures may be guided by state or federal rules, often constraining agency discretion;
- **Considering agency priorities when devising the BOA program work plan, goals, and specific plans for Strategic Sites; and**
- **Staying “in the know” about available funding programs offered by various agencies; being strategic in selecting and molding implementation projects based on “financeability.”**

Each City and State agency has a distinct set of priorities that dictate which planning and development projects they elect to support and/or fund. Therefore it is crucial that BOA grantees present projects to agencies early on to determine which funding sources may be available for desired implementation projects. For example, reaching out to a representative in HPD's or NYCEDC's planning group is an important early step in ascertaining a project's chances of obtaining agency support or funding. Reaching out to DCP to determine rezoning priorities is an essential first step in understanding the feasibility of implementing a desired end use envisioned by the BOA group and community. If stakeholders wish to see housing on an industrially-zoned lot and the City has no intention of rezoning the area, the former can expect that the realization of the vision could take years.

### **Case Study: NYC Department of Housing Preservation & Development (HPD)**

Due to budget constraints and limited resources in its various financing programs, HPD is currently focused on supportive housing and low income housing for families earning up to sixty percent (60%) of the Area Median Income (AMI). Funding for these housing types are more readily available than for other new construction and moderate income programs. While non-profit developers may apply for the latter types of projects, they may experience a protracted timeline for securing the funds to begin construction. Several BOA grantee organizations referenced in this report (e.g. Phipps Houses, SoBRO, and HCCI) have directed efforts toward supportive housing. Meeting with HPD early on to assess how a project fits into its current framework of priorities and leveraging that knowledge in more advanced stages of pre-development was key to creating successful funding proposals.

## **5. Recognize and utilize agencies' ability to convene sister agencies, and to assist BOA grantees in addressing complex planning and redevelopment issues.**

Key agencies that have proven to be strong partners in assisting CBOs as they navigate the BOA planning process are described below. These agencies have increasingly come to act as "Ombudsmen" between CBOs and city and state agencies through the BOA process, serving as effective liaisons between these two sectors. It is recommended that BOA grantees utilize the in-house, no-cost expertise and guidance of agency staff as multifaceted implementation plans are formed.

- **NYC Mayor's Office of Environmental Remediation (MOER):** MOER delivers a wide range of programming encouraging the revitalization of dormant brownfield properties in the City of New York. The office is dedicated to supporting BOA efforts throughout the five (5) boroughs and providing technical support and supplementary funding to BOA grantees. MOER can serve as an effective liaison between BOA grantees and other New York City agencies, and is well suited to facilitate dialogue which helps advance implementation efforts.
- **New York State Department of State (DOS):** DOS regional staff understand State priorities and funding programs, bring extensive experience in local planning efforts, and have an established network within the BOA stakeholder community, both public and private sector.

DOS is also positioned to initiate collaboration between BOA groups and other city and state agencies around targeted implementation projects. DOS has a vested interest in seeing the BOA Program succeed, and DOS staff is expressly dedicated to supporting BOA grantees as they develop actionable work plans and engage strategic partners.

- **Borough Offices of the NYC Department of City Planning (DCP):** DCP's borough offices have proven to be strategic, willing partners for BOA grantees, as the BOA planning process and program objectives align closely with DCP's charge to manage the City's land use policy for optimal economic development outcomes. Both the DCP and BOA planning processes consist of area-wide existing conditions analysis, formation of stakeholder advisory committees, community-based visioning, and development planning. These similarities create ample opportunity for synergy.
- **New York State Department of Environmental Conservation (DEC):** DEC regional staff serve as key partners for BOA groups pursuing development and infrastructure projects in brownfield and waterfront communities. For sites with a documented petroleum spill, history of hazardous use, or Superfund status, it is recommended that BOA groups immediately engage the agency's Division of Environmental Remediation to gain an understanding of the site's environmental history and current condition, including whether any monies are owed to the agency for past interventions. In environmentally sensitive areas such as wetlands or bulkhead sites, it is recommended that BOA groups form a partnership with DEC early on to address permitting issues likely to arise at the project implementation phase. Having collaborated closely in the original formation and evolution of the BOA Program, DEC can also serve as a liaison between BOA groups and other State agencies that become relevant to proposed Strategic Site and implementation projects.

In general, depending on a grantee's main goals and interest areas (e.g. waterfront access, open space, housing, job retention, etc.), a CBO should align with relevant agencies, and build relationships to ensure that those agency contacts can serve as resources to connect with other governmental entities that become relevant along the way.

### **Case Study 1: *East New York Empire Zone BOA***

The Local Development Corporation of East New York (LDC of ENY) administered the East New York Empire Zone BOA, a Step 1 BOA grant with a focus on industrial development. The LDC of East New York was interested in several City-owned sites in its study area, but was having trouble getting information on the properties' status and what plans the City might have for them. LDC ENY gathered as much information as they could about the properties— e.g. Building Identification Numbers (borough, block, lot), agency jurisdiction and current uses, and the local community's visions for the sites. The LDC ultimately asked MOER to assist. MOER identified staff in DCP, HPD, and DEP who could speak to the specific issues the LDC raised and convened a meeting among all of them, LDCENY, and NYS DOS. This productive conversation allowed the LDC to get its questions answered, learn more about agencies' activities and plans in the area, and better focus its efforts.

## **Case Study 2: Sunset Park BOA**

The United Puerto Rican Organization of Sunset Park (UPROSE), an environmental justice group based in the industrial Sunset Park section of Brooklyn, completed a Step 2 BOA in 2013. Primary goals of the BOA planning work were (and continue to be) the expansion of the green manufacturing sector and the creation of waterfront open space. It became imperative for UPROSE to establish a working relationship with NYC Economic Development Corporation (NYCEDC), as three Strategic Sites targeted by the organization are owned by the City of New York and controlled by NYCEDC. NYCEDC joined the BOA Steering Committee and participated in conversations about the community's vision for these sites: a 100,000 square foot site with two vacant industrial buildings, a 40,000 square foot site with a vacant manufacturing building, and a site with a severely contaminated two (2) story vacant building.

During the stakeholder outreach and visioning process it became clear that NYCEDC's intentions for the City-owned property differed in certain key respects from the vision UPROSE was developing. Specifically, NYCEDC did not consider certain BOA Strategic Sites viable for redevelopment. To help facilitate productive dialogue with the agency, UPROSE enlisted the assistance of both MOER and DOS who participated in meetings with NYCEDC and helped to focus conversations in a mutually beneficial way; as fellow agencies, DOS and MOER were successfully able to communicate the importance of the BOA planning process and the projects UPROSE was interested in pursuing, while also helping to keep the conversation focused on achieving mutual goals.

Ultimately, the successful outcome from these collaborations was NYCEDC's ongoing support for UPROSE throughout the Regional Economic Development Council (REDC) application process. With NYCEDC's support, UPROSE succeeded in securing \$1.2 million of Regional Economic Development Council (REDC) funding in partnership with the NYC DOT to implement the Sunset Park Upland Connector, a livable streets project. Along the 46<sup>th</sup> Street corridor, the team will design streetscape improvements including pedestrian and bicycle connectivity to the forthcoming Bush Terminal Park and the Sunset Park Greenway, sidewalk enhancements, and bioswales. At program completion, project design documents will be complete and fully ready for implementation. Effective outreach to NYCEDC was instrumental in building a case with the REDC.

### ***6. In this time of shrinking public budgets, explore innovative ways to leverage resources for planning and project implementation.***

This best practice ties in with Best Practice #3 above, and encourages BOA grantees and agencies to consider various sources of advanced funding for implementation projects which can be creatively layered to achieve economic feasibility and realization of a CBO and agency(s) shared goals. Studies and recommendations borne out of the BOA process may be used as a framework for pursuing advanced funding in collaboration with a local agency. A preliminary list of sources for advanced funding administered at the city, state and federal levels is provided in Appendix A.

Completed studies generated under the BOA program such as land use reports, site planning and design work may serve as a strong foundation for a joint funding application with an agency. Some of the funding sources provided in the Appendix require that non-profit applicants apply jointly with or receive sponsorship from a local or regional agency, while others may simply look favorably on such collaboration as applications are evaluated.

### **Case Study 1: Jamaica Station BOA**

The Greater Jamaica Development Corporation (GJDC), a seasoned BOA group currently completing a Step 3 Implementation Plan for the Jamaica Station BOA, focuses on economic revitalization and mixed-use transit-oriented development in downtown Jamaica, Queens. One of their BOA strategic sites is a privately-owned property, with over 700,000 of buildable square feet, strategically located adjacent to the train to John F. Kennedy Airport (AirTrain). The site, which has been vacant and blighted since the mid-1990s, formerly housed a meatpacking plant with asbestos-contaminated bricks. The community had strong concerns about safety issues related to the contamination expressed a strong desire to see the property revitalized.

GJDC actively marketed the site and in 2006 identified a developer interested in constructing an "International Merchandise Mart" on-site that would house fashion accessory, textile, and home decor vendors looking to relocate from Midtown Manhattan. The developer signed a 99-year lease with the property owner, yet struggled with securing financing necessary to remediate and develop such a large contaminated site. Recognizing the value this project could bring their community, GJDC intervened to help address the developer's challenges and the community's ongoing concerns. The organization advocated with NYCEDC for the site's environmental cleanup and was able to secure \$2.5 million to cover remediation, which was subsequently undertaken in 2006-07. GJDC also successfully advocated with the Department of City Planning to rezone the site from a low-density manufacturing district (M-1) to a high-density commercial district (C-64) under the 2007 "Jamaica Plan" Rezoning, which greatly increased the property's buildable area.

As of today, the site has been remediated and no longer poses a safety risk to the community. Having alleviated the cost burden of environmental cleanup, development of the site is now more economically feasible. Similarly, the property's rezoning to a high-density commercial zoning designation makes it a much more attractive site for development. Unfortunately, despite these improvements, as market conditions worsened in 2008, the developer faced major challenges in advancing the project and had to default on the lease. Subsequently, due to the challenge of securing financing for such a large-scale project during an economic recession, no other developers have come forward. Yet, despite the challenges, this case study nonetheless demonstrates the added-value leveraged by a non-profit BOA group interfacing with agencies for the purpose of advancing Strategic Site development.

### **Case Study 2: Lower Concourse BOA**

In 2010, SoBRO completed a Step 2 BOA grant that focused on the Lower Concourse section of the Bronx, a waning industrial area adjacent to the Harlem River waterfront that is easily accessible via car or public transit, making it a prime area for development of residential, retail, and community facility uses. The organization's early BOA activities involved working with the Department of City Planning (DCP) as they prepared a scope for the area's rezoning from manufacturing to mixed use. While SoBRO strongly supported introducing the opportunity for residential development, the organization had concerns about retaining viable commercial / manufacturing businesses and the local job-base. SoBRO used its standing as a BOA grantee to advocate for an equitable and balanced scope and to commission a study to identify the strongest commercial and job-generating corridors in the Lower Concourse area. This study, combined with a door-to-door survey of local businesses, demonstrated to DCP that certain areas should remain designated for light manufacturing or commercial uses rather than opening the entire area to residential development. As a result of the study, several corridors were indeed preserved for manufacturing use. Thus BOA analysis contributed to the City's planning process and helped the agency complete its task of rezoning the Lower Concourse. Today, the new mixed-use zone promises to draw investment in waterfront development, infrastructure, and much-needed residential and other uses in this transitioning industrial area.

### **Case Study 3: Sunset Park BOA**

The United Puerto Rican Organization of Sunset Park (UPROSE), an environmental justice group, completed a Step 2 BOA in an industrial section of Sunset Park, Brooklyn that focused on the expansion of the green manufacturing sector and the creation of waterfront open space. Using the land use analysis and stakeholder outreach findings from the BOA process as a platform, UPROSE's implementation-oriented consultant team encouraged them to join forces with New York City Department of Transportation (NYC DOT) and apply jointly to the Local Waterfront Revitalization Program (LWRP) administered through the CFA. The organization engaged the agency and prepared a proposal to undertake advanced planning and design activities for connecting Sunset Park's upland residential community to the waterfront. The team engaged local community support, submitted the application, and was awarded \$1.2 million in 2012. Now called the "Sunset Park Upland Connector" project, the team will design "livable streets" along the 46<sup>th</sup> Street corridor including streetscape improvements, pedestrian and bicycle connectivity to the forthcoming Bush Terminal Park and the Sunset Park Greenway, sidewalk enhancements, and bioswales. At program completion, project design documents will be complete and fully ready for implementation (though implementation funding has yet to be identified).

## **7. Facilitate the acquisition and development of publically-owned property.**

This best practice provides recommended strategies for BOA grantees that target publically-owned property as Strategic Sites, presenting a unique set of challenges but also the opportunity to leverage community and stakeholder relationships and possibly obtain land at a discounted cost.

### 1) Determine which agency holds title to the land.

This step alone may require significant outreach and follow-up efforts with representatives at different agencies. Prior to beginning outreach, the following online resources should be utilized to obtain initial ownership information:

- IPIS database (Integrated Property Information System, maintained by Department of Citywide Administrative Services (DCAS)):  
<https://nycopendata.socrata.com/Facilities-and-Structures/IPIS-Integrated-Property-Information-System-/n5mv-nfpy>
- Oasis Maps: <http://www.oasisnyc.net>
- Property Shark: <http://www.propertyshark.com>

### 2) Become familiar the agency's land disposition process.

Depending on the particular agency, the land disposition process may entail:

- **Real Estate Public Auction** – DCAS has 15,000 parcels of city-owned land within their management portfolio and is the only agency that can initiate a public auction. DCAS holds sale and lease auctions which are open to the public where land is sold to the highest viable bidder. Sites that go to auction are generally smaller sites not deemed developable by NYCEDC or HPD. A schedule of Real Estate Public Auctions may be found at: [http://www.nyc.gov/html/dcas/html/business/real\\_estate\\_purchasing.shtml](http://www.nyc.gov/html/dcas/html/business/real_estate_purchasing.shtml).
- **Sole-Source Disposition** – An agency can elect to convey publically owned property to a specific entity, however this protocol is generally considered politically unfavorable and therefore is a relatively uncommon method of disposition.
- **RFP process** – An agency may release a public Request for Qualifications, Request for Interest, or Request for Proposals to acquire and/or develop publically-owned land. The agency evaluates proposal submissions and awards the site to the developer whose project best aligns with agency priorities. For sizable sites this is the method most commonly used by the City of New York for land disposition.

### 3) Persistence. Identify a point person and follow-up often.

Once the appropriate agency and its land disposition process have been identified, outreach and follow-up is necessary to effectuate any of the three above mentioned disposition processes. It may be advantageous to target more than one point person, including high- and mid-level staff, perhaps across several relevant agencies. Although commissioners have the highest decision-making power, these officials are not necessarily accessible to a CBO. Mid-level staff members, however, are more accessible and retain more detailed knowledge about specific properties and protocol for taking action. Moreover, while commissioners serve finite terms, mid-level staff typically remain at agencies for longer periods. Therefore, it is important to cultivate relationships with both higher level and mid-level agency staff.

Ultimately, by communicating and advocating effectively with a land-holding agency, a CBO may successfully move an agency to issue an RFP to which it can respond in collaboration with a specialized team. It is important to be diligent about following-up with key agency representatives and to utilize established relationships whenever possible to influence higher level decision-making. Only by following-up consistently with representatives at various levels can a CBO influence an agency to enter into a land disposition process.

**Case Study: Lower Concourse BOA**

SoBRO currently administers a Step 3 grant in the Lower Concourse section of the Bronx, and is targeting a historic school building constructed in 1897 as a possible Strategic Site for rehabilitation into housing with ground floor commercial use. The property is owned by the City of New York. SoBRO is seeking site control for the eventual redevelopment of this site. In this effort SoBRO's first step was to determine which agency held the land in its management portfolio; originally SoBRO assumed the site to be controlled by the NYC Department of Education or the NYC School Construction Authority. After conducting outreach within those agencies as well as the planning office of the Bronx Borough President, it was discovered that in fact the Department of Citywide Administrative Services (DCAS) controlled the property. By persistently following leads and engaging in informal conversations with existing contacts, SoBRO was able to uncover the controlling agency.

Next, SoBRO learned that in order to dispose of the property, DCAS would need to assign it to another agency, in this case NYC HPD, because of the intended residential end-use. Once in HPD's hands, that agency would need to initiate the Uniform Land Use Review Process (ULURP) to dispose of and ultimately convey the property for residential/commercial redevelopment. Armed with an understanding of the controlling agencies and the disposition process, SoBRO assembled a development team and prepared a proposal, complete with architectural plans, historic preservation elements and a financial model showing the economic feasibility of resurrecting the building and creating a new mixed-use facility. The proposal was submitted to both DCAS and HPD along with a cover letter calling for the City to take action before the building deteriorates beyond repair. Shortly after submitting the proposal SoBRO began to follow-up regularly with representatives at both DCAS and HPD. Today, the organization is optimistic that the process is gaining momentum and that either the City will convey it on a sole-source basis to SoBRO or issue a public RFP for the site's redevelopment to which SoBRO's team would gladly respond.

**8. For City Agencies: Recognize the leadership role of CBOs in their communities and understand the unique assets that BOA CBOs bring to local community revitalization efforts.**

This best practice highlights the value that BOA grantees can contribute to agency initiatives through the community outreach program built into the BOA process. BOA groups should leverage this position when engaging and building relationships with agencies. A CBO's community assets include:

- Knowledge of “on-the-ground” community conditions and the trust accorded to them by community constituencies;
- Unique positioning to build community consensus around development goals and projects and assist with community outreach on initiatives where there are common interests with agencies; and
- Ability to connect to hard-to-engage constituencies such as property owners.

# **APPENDIX A**

## **Funding Sources for BOA Implementation Projects**

### **Housing Development – Public Sources**

#### **New York City Acquisition Fund:**

- Acquisition and Pre-development loans

#### **New York State Department of Homes & Community Renewal (NYS HCR) Capital Programs:**

- Federal and State Low Income Housing Tax Credit Programs (LIHC and SLIHC)
- Low-Income Housing Trust Fund Program (HTF)
- Homes for Working Families Initiative (HWF)
- New York State HOME Program (HOME)

#### **New York City Department of Housing, Preservation, and Development (NYC HPD):**

- New Construction Program
- Preservation Program
- Distressed Asset Financing Program
- Tax Incentive Programs
- Supportive Housing Loan Program
- Low Income Housing Tax Credits (LIHTC)

#### **New York City Housing Development Corporation (NYC HDC):**

- Low Income Affordable Marketplace Program (LAMP)
- Low Income Housing Marketplace Program Preservation (LAMP Preservation)
- Mixed Income (50/30/20) Program
- New Housing Opportunities Program (New HOP)
- Co-ops
- Mitchell-Lama Preservation Program

#### **Resolutions “A” (RESO A) Funding Allocations**

- Capital funding allocations awarded by Borough President and City Council offices

#### **State Historic Preservation Office (SHPO)**

- Federal Historic Tax Credits (HTC)
- New York State Historic Tax Credits (HTC)

**United States Treasury Department, Community Development Financial Institution Fund (CDFI Fund)**

- New Markets Tax Credits

**Housing Development– Private Sources**

**Community Preservation Corporation (CPC):**

- Construction Financing
- Permanent Financing
- CPC Benchmarking
- Green Financing Initiative
- Small Building Loan Program
- Freddie Mac
- Multi- Family Program
- Special Needs Financing
- Weatherization Assistance

**Corporation for Supportive Housing (CSH):**

- Project Initiation Loans (PILS)
- Acquisition Loans
- Predevelopment Loans
- Construction Loans
- Mini-Permanent Loans

**Enterprise Community Partners (Enterprise):**

- Pre-development Loans
- Acquisition Loans
- Mini Permanent: Community Facilities Loans
- Acquisition/Mini Permanent: Housing Loans
- Construction and Bridge Loans
- Enterprise Green Communities Grants

**Local Initiatives Support Corporation (LISC):**

- Pre-development Loans
- Acquisition Loans
- Mini-Permanent Loans
- Revolving Working Capital Loans and Lines of Credit
- Low-Income Housing Tax Credit Equity

- Capacity Building Grants
- Technical Assistance (Affordable housing development, non-profit organizational strategy)

**NYC Housing Partnership:**

- Pre-development Loans
- Short-term Bridge Loans
- Property Acquisition Loans
- Affordable Housing Consulting

**Infrastructure & Green**

**Bronx Overall Economic Development Corporation (BOEDC):**

- Bronx Initiative for Energy and the Environment (BIEE ) revolving loan fund

**New York City Department of Buildings (NYC DOB):**

- Solar Panel Tax Abatement
- Green Roof Tax Abatement

**New York City Department of Environmental Protection (NYC DEP):**

- NYC Green Infrastructure Grant Program

**New York City Department of Transportation (NYC DOT):**

- NYC Plaza Program

**New York City Office of Environmental Remediation (NYC MOER) Grants:**

- New York City Brownfield Cleanup Program
- Pre-Development Design
- Environmental Investigation
- Technical Assistance
- Environmental Cleanup
- Environmental Insurance
- Technical Assistance
- Track 1 Bonus Cleanup
- BOA Strategic Property Bonus Cleanup
- BOA Local Match Grants
- BOA Application Technical Assistance Grants
- Hazardous Materials and E-Designation and Restrictive Declaration Remediation Grants

**New York Power Authority (NYPA):**

- ReCharge New York (RNY)

**New York State Department of Environmental Conservation (NYS DEC):**

- Brownfield Cleanup Program (BCP)
- Environmental Restoration Program (ERP)

**New York State Department of State (NYS DOS):**

- Local Waterfront Revitalization Program (LWRP)
- Brownfield Opportunity Areas Program (BOA)

**New York State Department of Transportation (NYS DOT):**

- Transportation Enhancement Program (TEP)

**New York State Energy Research and Development Authority (NYSERDA):**

- Multifamily Performance Program (MPP)
- New Construction Program
- Commercial/Industrial
- Existing Facilities Program
- FlexTech Program
- Solar Technologies
- Small Wind
- Combined Heat and Power Performance Program (CHP)
- Industrial and Process Efficiency
- Small Business/Not-For-Profit Energy Efficiency Financing Program

**New York State Environmental Facilities Corporation**

- Green Innovation Grant Program

**New York State Office of Parks, Recreation & Historic Preservation:**

- Environmental Protection Fund Municipal Grant Program (EPF)

**United States Department of Housing and Urban Development (HUD)**

- Sustainable Communities Regional Planning Grant

**United States Environmental Protection Agency (US EPA):**

- Brownfields Area-wide Planning Program

- Brownfield Assessment Grant, Brownfield Cleanup Grant
- Brownfield Revolving Loan Fund Grant (RLF)
- Brownfield Training Research and Technical Assistance Grant
- Targeted Brownfields Assessment Grants
- Brownfields Sustainability Pilots
- Smart Growth Grant

## **Commercial & Industrial**

### **ConEdison**

- Economic Development Program
- Small Business Direct Installation

### **New York City Department of Finance (NYC DOF):**

- Industrial and Commercial Abatement Program (ICAP)
- Commercial Expansion Program (CEP)
- Commercial Revitalization Program/CRT Special Reduction
- Relocation and Employment Assistance Program

### **New York City Department of Small Business Services (NYC SBS):**

- Avenue NYC Program
- Industrial Business Zone (IBZ) Relocation Tax Credit
- Energy Cost Savings Program (ECSP)

### **New York City Economic Development Corporation:**

- Food Retail Expansion to Support Health (FRESH)
- NYC Food Manufacturers Growth Fund
- New Markets Revolving Loan Fund (NMRLF)
- New York City Industrial Development Authority Bonds (NYCIDA Bonds)
- NYCIDA Commercial Tax Incentives
- NYCIDA Industrial Incentives Program (IIP)
- Manufacturing Facilities Bond Program

### **United States Economic Development Administration (US EDA):**

- Investing in Manufacturing Communities Partnership (IMCP)

### **United States Small Business Administration (US SBA):**

- Small Business Loans

- Surety Bonds
- Small Business Investment Company Program

#### **United States Department of Housing and Urban Development (HUD)**

- Empowerment Zone Benefits (Upper Manhattan, South Bronx)

#### **General**

#### **New York State Consolidated Funding Application (NYS CFA):**

- Administered through the Regional Economic Development Council, the CFA offers a variety of competitive funding opportunities for joint CBO-agency applications. CFA funding is available for community and waterfront revitalization, parks, public infrastructure, sustainability planning, and other arenas relevant to BOA implementation and community planning. A full list of CFA programs may be found in **Appendix B**.

#### **Non-Profit BOA Project Management Consultants**

- New Partners for Community Revitalization (NPCR), New York, NY
- Pratt Center for Community Development, Brooklyn, NY
- South Bronx Overall Economic Development Corporation (SoBRO), Bronx, NY

# **APPENDIX B**

## **Consolidated Funding Application (CFA) - Programs List**

### **Direct Assistance to Business**

- Empire State Development Grant Funds
- Excelsior Jobs Program
- Regional Tourism Marketing Grant Initiative (I LOVE NEW YORK Fund)

### **Community Development**

- Community Development Block Grant Program
- New York Main Street Program
- Urban Initiatives Program
- Rural Area Revitalization Projects
- Environmental Protection Fund Municipal Grant Program
- New York State Council on the Arts Grant Program

### **Agriculture**

- Agriculture Development Program

### **Waterfront Revitalization**

- Local Waterfront Revitalization Program
- Canalway Grants Program

### **Environmental Improvements**

- Green Innovation Grant Program
- Clean Water State Revolving Fund Engineering Planning Grant Program
- Environmental Investment Program

### **Energy Improvements**

- Non-Residential Energy Efficiency Programs
- ReCharge New York

### **Sustainability**

- Regional Greenhouse Gas Reduction Program

**Workforce Development**

- Workforce Investment Act

**Low-Cost Financing**

- Federal Industrial Development Bond Cap