

February 6, 2004

Jerilyn Perine  
Commissioner  
Department of Housing Preservation and Development  
100 Gold Street  
New York, NY 10038

**Re: The Development of Affordable Housing in West Chelsea**

At its meeting on February 4, 2004, by a vote of 32 in favor, 3 against, 1 abstaining, and 0 present but not eligible, Manhattan Community Board No. 4 reaffirmed its support for affordable housing by adopting the following resolution.

CB4 reaffirms its position that the rezoning and development of West Chelsea should be done in a manner that preserves Chelsea as a community of people with a broad range of incomes.

- The Board's overall goal is to have 30% of the housing units in the West Chelsea Special District be non-market-rate. This is consistent both with the Board's long standing position in its annual District Needs Plans and with its position in the 1996 Chelsea 197-a Plan.

CB4 strongly supports efforts to develop and implement alternative zoning for the WCSD that would increase the amount of affordable housing. The Board is encouraged by the growing citywide interest in creating novel solutions for the City's housing problems and will continue to work with like-minded organizations and individuals to bring these efforts to fruition.

CB4 also reaffirms its support for the greatest possible use of existing programs for the creation of affordable housing. The Board is directing this resolution specifically to you and the Department of Housing Preservation and Development and wishes to emphasize its commitment to providing housing for people of moderate- and middle-incomes.

- The Board's income distribution goals for mixed income housing in flexible development programs are: 20% of the affordable housing units produced by these programs available to people with incomes of a maximum of 80% of the Area Median Income (AMI), 50% to people with incomes of a maximum of 125% of AMI and 30% to people with incomes of a maximum 165% of AMI.

For reference, Table I shows the income levels associated with the percentages used throughout this statement.

**Table I: 2003 Maximum Household Income**

HH Size	AMI *	Very Low Income	Moderate	Middle (Low)	Middle (High)
		60% AMI	80% AMI	125% AMI	165% AMI
1	\$43,960	\$26,400	\$35,170	\$54,950	\$72,540
2	\$50,240	\$30,120	\$40,200	\$62,800	\$82,900
3	\$56,520	\$33,900	\$45,220	\$70,650	\$93,260
4	\$62,800	\$37,680	\$50,240	\$78,500	\$103,620
5	\$67,824	\$40,680	\$54,260	\$84,780	\$111,910
6	\$72,848	\$43,680	\$58,280	\$91,060	\$120,200
7	\$77,872	\$46,740	\$62,300	\$97,340	\$128,490
8	\$82,896	\$49,740	\$66,320	\$103,620	\$136,780

\* Calculated by applying HUD family size adjustment factors to NY Metro Area Median Income for family of four

In its June 6 and October 9, 2003 letters to the Department of City Planning and its December 5, 2003 letter to DCP and you and the Department of Housing Preservation and Development, CB4 addressed the housing problems faced by a broad range of civil servants and other people of moderate- and middle-incomes, as well as people with the lowest incomes. The Board supported the preservation of existing low rise housing, the full use of existing programs and financing mechanisms to expand the stock of affordable housing, and expressed its belief that new programs would be needed, and should be devised, to achieve the housing goals of the Board and of other communities undergoing rezoning.

Two of the existing programs have little or no flexibility in the incomes they can accommodate, providing housing only for people with lower incomes:

**421(a) Tax Exemption for New Construction - Extension of Exclusion Area.** CB4 supports the extension of the 421(a) exclusion to encompass the full boundaries of the WCSD. This change would ensure that in order to qualify for the 421(a) tax exemptions developers would have to provide 80/20 housing. The 20% housing component built under this program would be available to people with incomes of a maximum of 60% of AMI.

**Inclusionary Housing Bonus.** DCP has proposed a bonus of 2 FAR in the northern section of the WCSD for providing inclusionary housing. The Board welcomes this provision and asks that the housing developed under the bonus be subject to three further restrictions:

- In order to ensure its use, the inclusionary housing bonus should be the only bonus available in the proposed C6-4 zone;
- The lower income housing should be located in the proposed WCSD or in other portions of Community Board No.4 below West 34<sup>th</sup> Street;
- The lower income housing should be available to persons with maximum incomes of 80% of AMI, not 60%. The Board has a specific goal of producing housing affordable to

moderate income working families and individuals and understands that this proposed revision will limit the use of 4% Low Income Housing Tax Credits in those projects.

Three other programs provide for flexibility in the income levels they can accommodate. For each of these programs CB4 asks that the housing units built be available to people with the range of incomes detailed below.

- 20% of the units should be available to people with incomes of a maximum of 80% of AMI;
- 50% of the units should be available to people with incomes of a maximum of 125% of AMI;
- 30% of the units should be available to people with incomes of a maximum of 165% of AMI;

**NewHOP.** The City's New Housing Opportunities Program finances construction or rehabilitation of residential units, or conversion of non-residential buildings, to rental housing developments affordable to middle-income families. CB4 supports the use and siting of NewHOP developments below 96<sup>th</sup> Street, and specifically throughout the entire WCSD.

**Brownfield Program.** HPD has used a variety of State, Federal and other funding sources to develop successfully housing on brownfield sites in the City. CB4 supports HPD's efforts to enlist developers to aid it in the identification of brownfield sites in West Chelsea, and to work with them to develop affordable housing where possible.

**Government-Owned Sites.** CB4 reaffirms the position it took in its letter of June 6, 2003 encouraging the transfer of suitable government-owned sites to HPD for the development of affordable housing in Chelsea, using the mixed income guidelines stated above.

- The Board specifically requests the transfer of two sites on 18<sup>th</sup> and 25<sup>th</sup> streets in Chelsea owned by the New York City Housing Authority to HPD, and urges HPD to move both sites through the development pipeline as quickly as possible.
- The Board continues to support the transfer of the site on 30<sup>th</sup> Street between Dyer and Ninth Avenue owned by the Port Authority to HPD for redevelopment as affordable housing.

Furthermore, in the wider context of the rezoning of the Hudson Yards and West Chelsea, the Board encourages all efforts to identify other suitable sites for affordable housing, not only in West Chelsea and Chelsea, but also widely throughout the Board's District.

CB4 is committed to the full use of the five existing programs cited above as means of achieving its housing goals. In addition, the Board continues to seek further information from all sources about other currently available means of providing affordable housing. Finally, the Board hopes that new zoning mechanisms to produce affordable housing will be developed in time to be included in the West Chelsea Special District, and urges that effective action be taken toward this goal.

J. Perine  
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Sincerely,



Walter Mankoff  
Chair  
Manhattan Community Board No. 4



Lee Compton  
Co-Chair  
Chelsea Preservation & Planning Committee



Edward S. Kirkland  
Co-Chair  
Chelsea Preservation & Planning Committee

cc: Mayor Michael Bloomberg  
Borough President C. Virginia Fields  
Local Elected Officials  
John Warren, Dept. of Housing Preservation & Development  
Chris Cirillo, Dept. of Housing Preservation & Development  
Amanda Burden, Dept. of City Planning  
Vikram Chakrabarti, Dept. of City Planning  
Laurel Blatchford, Office of the Mayor