LAND USE COMMITTEE - FEBRUARY 1, 2012

HOUSING AND HUMAN SERVICES COMMITTEE – FEBRUARY 2, 2012

RESOLUTION: OPPOSING THE 421-A REAL ESTATE TAX EXEMPTION PROGRAM APPLICATION SUBMITTED FOR 29 OVERLOOK TERRACE / 524 FORT WASHINGTON AVENUE DEVELOPMENT PROJECT

Whereas: On December 21,2011 Fort Tryon Tower SPE LLC submitted an application to the NYC Department of Housing Preservation and Development ("HPD") seeking preliminary certification of eligibility for 421-a benefits for a new development project located at 29 Overlook Terrace / 524 Fort Washington Avenue (Block 2189 / Lot 64,formerly known as lot 64 and part of lot 27); and

Whereas: The 421-a Program promotes multi-family residential construction. It provides a declining property tax exemption based on the new value created. The program is administered by HPD and the Department of Finance. The program offers up to a three-year construction period exemption and a post-construction exemption from 10 to 25 years. Under guidelines that took effect in 2008 all of Manhattan is covered by a geographic exclusion area that requires any project that receives 421-a benefits to contain 20% affordable units; and

Whereas: The proposed project (the "Project") is a 23-story, 112 unit new development located on an irregularly-shaped site characterized by rock outcroppings and a dramatic change of elevation from Fort Washington Avenue to Overlook Terrace. It is surrounded, for the most part, by five to six story residential buildings; and

Whereas: The monthly rent for units in the Project range from $1,800 to $5,200. 108 (96%) of the units are project to rent for $2,000 per month or more. Assuming that an individual or household spends no more than 30% of their household income on housing expenses, the minimum income needed to be able to afford to rent units in the Project ranges from approximately $72,000 to $208,000. The median household income in the NYC Metropolitan area as of 2010 is $80,200; historically the median household income in Washington Heights and Inwood is only 52% of the NYC Median Household income, which translates to $40,100 or 55.7% of the minimum income required to afford the least expensive units in the Project; and

Whereas: The Start of Construction affidavit filed with HPD and dated December 14, 2011, indicates that November 5, 2007 is the accurate date of commencement of construction, that is, the date upon which excavation and construction of initial footings and foundations commenced in good faith. The Final Application for Certification of Eligibility for 421-a Partial Tax Exemption also filed with HPD and dated December 16, 2011 indicates the approximate date of project completion to be October 26, 2013. A five year construction duration for a single 112 unit residential building is not credible; and

Whereas: A legitimate construction start in 2007 would not subject the project to the requirements to provide affordable housing units because, at that time, Washington Heights and Inwood were not in a geographic exclusion area and therefore projects receiving 421-a

benefits would not be required to provide affordable housing. However, the site has been dormant for several years, building permits expire after one year and to-date construction of footings and foundations for the new building has not commenced. With the exception of rock removal and four free-standing, one-story columns that flank the entrance to the subway station, no construction has been completed. The claim that November 2007 is the date of construction commencement is not supported by visual inspection of the physical condition of the site; and

Whereas: In May 2007 CB12 passed a resolution supporting reforms to the 421-a Tax Incentive program calling for, among other things, the requirement for affordable units to be increased from 20% to 30 % and that preference to be given to existing community residents for 50% of the affordable units; and

Whereas: As part of the district-wide planning study (the "Planning Study") undertaken by CB12-M and City College the project site was examined as a one of three Case Studies. Development of the Project was under consideration at that time. As an alternative to the design proposed by the developers the Planning Study illustrated that with certain zoning modifications a more contextual, mid-rise building of the same density as the 23-story structure could be developed on the site; and

Whereas: The Planning Study recommended that CB12-M pursue contextual zoning and in the resolution passed in September 2011 opposing Quadriad's proposed Tryon Center as it is currently proposed CB12-M reaffirmed its support for contextual zoning, design and development; and

Whereas: The Project is out of scale and out of character with its context, is unaffordable to the vast majority of residents of Washington Heights and Inwood, and indeed unaffordable to most average residents of NYC, contains no affordable housing, did not begin construction in earnest in 2007 and should not be exempt from the requirement to provide affordable units, and does not further goals and recommendations contained in the Planning Study. Now, therefore be it

Resolved: Community Board 12-Manhattan strongly opposes the Department of Housing Preservation and Development approving 421-a real estate tax benefits for the 29 Overlook Terrace / 524 Fort Washington Avenue development project, calls upon all elected officials that represent Washington Heights and Inwood to support the community board on this matter and further calls upon the developer to completely reconsider the scale and design approach of the project and its affordability levels.

The resolution passed by the following votes:

Land Use Members:	7-0-0
Board Members:	3-0-0
Members of the Public:	4-0-0

HHS Members:	0-0-0
Board Members:	0-0-0
Members of the Public:	0-0-0

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