



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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DELORES RUBIN
Chair

Jesse R. Bodine
District Manager

March 16, 2016

Maria Torres-Springer
President
New York City Economic Development Corporation
110 William Street
New York, NY 10038

Vicki Been
Commissioner
Department of Housing Preservation & Development
100 Gold Street 10038

**Re: Covenant House – Hunter College Site
Block 1050, Lots 1, 6, 13
Request for Proposal (RFP)**

Dear Ms. Torres-Springer and Commissioner Been:

Manhattan Community Board 4 (MCB4) at its Full Board Meeting on February 3, 2016, was presented with a report on the Covenant House – Hunter College Site Request for Proposal (RFP) released by the Economic Development Corporation (EDC) on January 27th, 2016. The Board then designated its Clinton/Hell's Kitchen Land Use Committee to further discuss and release by ratification the Board's response to the RFP. At its meeting on February 10, 2016, the Committee voted to approve the following response which will be ratified at the Board's March 2nd, 2016 general meeting.

MCB4's RESPONSE EDC/COVENANT HOUSE RFP

Manhattan Community Board 4 would like to thank EDC for the release of the RFP, a document which represents 18 months of meetings between EDC, Covenant House, HPD, the City administration, and MCB4. Since a number of the community's concerns remain only broadly addressed in the RFP, the Board is compelled to restate the specific community requests which both Covenant House and EDC fully understand to be crucial demands by the community.

These requests, the inclusion of which EDC contended would constrain the transactional structure

of the RFP, are key to the Board's approval of plans to develop the site. The Board, therefore, expects these requests will be emphasized to applicants by EDC during the application selection process as community demands which must be met.

1. Permanent Affordability

The RFP states that affordability is required to last only as long as the real estate tax exemption. This temporary affordability satisfies neither the Board's nor the City's goal of promoting and sustaining economic diversity. Permanent affordability is no longer an aspiration: it is a requirement.

It should be made clear to applicants that the affordable units built on the site must be permanently affordable.

2. Height Limits

The RFP statement that height is only required "to relate to the prevailing heights of the existing buildings in the immediate neighborhood" is too open to an interpretation which could be a benefit to a developer but a detriment to the community. The Board has been consistent and clear that height limits of 250 feet on the side streets and 450 feet on Tenth Avenue are acceptable.

It must be made explicit to applicants that the heights of new building must relate to the context of the Hell's Kitchen neighborhood as a whole, not to nearby building heights which a developer may use to justify out-of-scale and out-of-context heights.

3. Carnegie Library West 40th Street Branch

Applicants to develop the site should be advised that the RFP's request that "Respondents are encouraged to consider preserving the façade." is only a part of MCB4's requirement.

MCB4 is committed to insuring that the entire Carnegie Library building is preserved, its façade entrance restored, and it serve as a community facility with a goal to its eventual use as a branch library.

4. Educational Facility

The RFP states "Respondents are encouraged to consider educational community facility uses as a programmatic element within their proposal."

MCB4 neither made this request nor considers it appropriate for this site.

Additional Requirements in the RFP

The following additional RFP requirements were not disclosed to the Board during our RFP discussions.

- "The developer will have to pay EDC an Administrative Fee of 1% of the unrestricted appraised value of the Eastern Parcel

MCB4 is curious why this type of fee is allowable in an affordable housing RFP. In our extensive experience working on affordable housing RFPs with the NYC Department of Housing

Preservation and Development, there was never a 1% administrative fee of unrestricted appraised value of the specific site levied in the RFP and payable out.

We can only presume that this is to pay EDC for costs related to the RFP. However, the appraised value of this site will be in the tens of millions. Surely that high of a fee far exceeds any costs. Thus, we request to meet with you and discuss how when dealing with affordable housing RFPs that to the extent the money that is accrued from this type of fee exceeds costs it be used to further fund the affordable housing development project itself.

THE DEVELOPMENT SITE

The Development Site on block 1050 is located between West 40th and 41st Streets, Tenth and Dyer Avenues, and comprises the following sites:

Covenant House, along 10th Avenue between West 40th and 41st Streets (including the former Carnegie Library on West 40th Street and adjacent to Covenant House)
Former Hunter College Voorhees Campus in the mid-block along West 41st Street.

All of the above mentioned properties on the Site are owned by different entities and have been present on the block for extended periods of time. Covenant House first began operating out of the site in 1976 and continues to help homeless youth with shelter, social services, opportunities for schooling, and training for future employment. Part of the Covenant House site is the former West 40th Street Carnegie Library, which is now used by Covenant House as a health clinic and gym. The Hunter College Voorhees Campus Annex was vacated in 2014 and remains vacant. Ownership of the building has been reverted to the City of New York.

The Board identified this site and brought it to the attention of the Mayor's office, with the expectation of working with the New York City Department of Housing Preservation and Development (HPD) to develop an RFP. The Board was subsequently informed that EDC would be tasked with developing and releasing the RFP for the site.

The Board met with EDC last year. During this meeting, EDC presented a preliminary proposal that called for the demolition of all the buildings on the site as well as an upzoning for future development. The Board responded that it would want to preserve the entire Carnegie Library building and that it opposed an upzoning. MCB4, alongside our Councilmember, then entered into 18 months of negotiations with EDC and issued two letters in 2015. After serious negotiations, the RFP was released on January 27th, 2016.

COMMUNITY PARTICIPATION IS CRITICAL

Manhattan Community Board 4 fully supports Covenant House's aim to build a new, state-of-the-art facility which will provide for the relocation of its national headquarters and ensure high quality, comprehensive programs for the young people it serves. The Community Board and Covenant House are in agreement that they share common goals of providing affordable housing on the development site, preserving the former West 40th Street Carnegie Library building, and

designing buildings which foster and preserve residential and neighborhood character.

As the process of selecting an applicant and developing this site continues, community participation and planning is critical. Since 1969, for nearly 50 years, this community and this Board has with considerable success worked with developers, elected officials, City Planning, and City agencies on rezoning and development proposals balancing increased density and preservation of context to order to allow the City to grow while managing change, ensuring neighborhood survival, and increasing affordable housing.

While a commercial transactional model may serve EDC's method of operation in other development projects, it is not suitable for a development of this complexity and in this community. As the Board has pointed out in our many meetings, the model that works best is one based on community participation and incorporation of community requests into the final design of a development project. Not only does that model provide a method of solving many issues in a timely manner, it also acts to ensure a smooth ULURP approval process. The lack of serious consideration for this Board's recommendations may result in a contentious public approval process. The Board seeks to avoid such an outcome.

A Model For Community Planning and Successful Development

The Gotham West site is one recent model. The site encompasses almost an entire city block between West 44th and West 45th Streets, between Tenth and Eleventh Avenues. The project resulted in over 1,200 residential units of which nearly half were permanently affordable. The height of the buildings was carefully calibrated to work with the scale and context of the neighborhood. And the community was not only able to preserve the 100-year old P.S. 51 historic building: a portion of the project site provided for a new 600-plus seat addition to the elementary school.

The success of the project was due to HPD's willingness over a number of years to engage in substantive discussions with the community, MCB4, the Department of City Planning, and the developer's willingness to respond specifically and concretely to the community's concerns. That is the working model we need for the Covenant House project.

While elements of the RFP are unnecessarily broad and lacking in the specificity that is key to assuring the community's approval, the Board nevertheless expects that EDC will give in the evaluation of responses, serious consideration to those applicants who will work within the Board's parameters and address the community's goals.

Sincerely,



Delores Rubin
MCB4 Chair



Jean Daniel Noland, Chair
Clinton Hell's Kitchen Land Use
and Zoning Committee

cc: Creighton Drury, Executive Director, Covenant House
Hon. Gale A. Brewer, Manhattan Borough President
Hon. Brad Hoylman, New York State Senate
Hon. Adriano Espaillat, New York State Senate
Hon. Richard Gottfried, New York State Assembly
Hon. Corey Johnson, City Council
Hon. Helen Rosenthal, City Council