



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD FOUR

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JEAN-DANIEL NOLAND
Chair

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

February 28, 2008

Priscilla Almodovar
President and Chief Executive Officer
New York State Housing Finance Agency
641 Lexington Avenue, 4th Floor
New York, NY 10022

Re: 80/20 Financing for Glenwood Management Corp. at 310-328 West 38th Street

Dear Ms. Almodovar:

We write to express our strong support for Glenwood Management's application for \$228 million in 80/20 bond financing over three years, for Glenwood's project at 310-328 West 38th Street and 333-345 West 37th Street, between Eighth and Ninth Avenues.

1. Brings welcomed residential development. The project would create a strong residential presence in an area that was included in the 2005 Hudson Yards rezoning with the intention of fostering residential development and anchoring and expanding residential uses. Instead, twelve budget hotels are now being developed between 35th and 40th Streets and Eighth and Ninth Avenues, most of them on sites that were expected in the Hudson Yards rezoning to be used for residential development. Thus, the Glenwood project would bring the residential development that the rezoning anticipated, encouraging neighborhood stability and catalyzing other residential development.

2. Permanent affordable units, with more family-sized units. The project consists of approximately 569 rental units of which 120 units (21 studios, 67 one-bedroom units and 33 two-bedroom units) would be permanently affordable to lower income households in accordance with the requirements of HFA's 80/20 program as well as the Modified Inclusionary Housing Bonus in the city's Zoning Resolution. The unit mix includes proportionately more two-bedroom units than most 80/20 projects. While we would prefer that the project include even more family-sized units, we acknowledge that the project is already better than most in encouraging the stability that family-sized units bring.

3. Fully and equitably distributed. The affordable units are fully and equitably distributed throughout the project in compliance with Section 23-90 of the city's Zoning Resolution. Developers of 80/20 financed housing have continually presented developments to this Board that segregate the affordable units in the lower 80% of the

building's floors and concentrate those units in the lower third of the building. They defend this action with the HFA unwritten practice of segregating affordable units in the lower floors to ensure financial viability. We are then forced to negotiate with each developer to increase the project's economic integration. In a refreshing departure from this practice, Glenwood presented a fully integrated and financially viable project without the need for negotiation.

4. Same finishes throughout. Glenwood has agreed that all apartment finishes will be the same in the market rate units and the affordable units. We have recently learned, to our dismay, that this is not always the case in 80/20 projects, and that the affordable units are often built to a lesser level of finish. Especially when the housing resource being built will be permanent, as required by the city's Inclusionary Housing Program, the disparate treatment of finishes has no financial justification and cannot be countenanced by this Board. It sends a clear message that there are two different classes of tenancy and is contrary to the goal of inclusionary housing to integrate differing income groups into a community. Glenwood is to be commended for providing the same finishes in all units.

We understand from the February 16, 2008 article in Crain's New York Business that your agency is allocating a greater percentage of its tax-exempt bond financing to other programs that build more affordable housing units, and therefore cutting back the amount allocated to the 80/20 project. The two other individual 80/20 projects mentioned in that article (Dermot's Hudson Mews and Rockrose's second Tenth Avenue project) are in our district, in the area covered by the Hudson Yards rezoning. Perhaps there are additional projects in the pipeline of which we are unaware.

Of the mentioned projects, the Glenwood project should receive the highest priority for financing, for the reasons set forth above.

This letter was passed by the Executive Committee of CB4 on Monday, February 25 and is subject to ratification by the full board at its next scheduled meeting on March 5, 2008.

Sincerely,



Jean-Daniel Noland
Chair Manhattan Community Board 4

Cc: Gary Jacob, Glenwood Management
Laura Lazarus, HPD
City Council Speaker Christine Quinn
State Senator Thomas Duane
State Assemblyman Richard Gottfried
Manhattan Borough President Scott Stringer
Congressman Jerrold Nadler