

CITY OF NEW YORK

#### MANHATTAN COMMUNITY BOARD FOUR

330 West 42<sup>nd</sup> Street, 26<sup>th</sup> floor New York, NY 10036 tel: 212-736-4536 fax: 212-947-9512 www.nyc.gov/mcb4

LOWELL D. KERN Chair

JESSE R. BODINE District Manager

February 24, 2020

Alice Truax, Board President Yesenia Zuniga, Interim Executive Director Hartley House 413 West 46th Street New York, NY 10036

Joe Restuccia, Executive Director Clinton Housing Development Company 403 West 40<sup>th</sup> Street, New York, NY 10018

Ken Jockers, Executive Director Hudson Guild 441 W. 26th Street New York, NY 10001

### Re: Hartley House Renovation - 413 West 46th Street

Dear Ms. Truax, Ms. Zuniga, Mr. Restuccia, and Mr. Jockers:

On January 22, 2020, Manhattan Community Board 4's (MCB4) Housing, Health, and Human Services Committee received a presentation from Hartley House updating the committee on its progress toward securing the future of Hartley House at its location of over a century in Hell's Kitchen. This update comes two years after Hartley House presented to the same committee a plan to sell their buildings to raise funds to maintain their programming. The very complicated plan to keep Hartley House in Hell's Kitchen includes partnerships with two local organizations, funding from various sources, an affordable housing development and a full renovation and historic preservation of all five buildings. Saving Hartley House seemed near impossible two years ago, but with the strong, collaborative effort and a community refusing to give up, a staple for the Hell's Kitchen neighborhood will not only stay in Hell's Kitchen, but will now be better

positioned to thrive, benefitting all in the community. *MCB4, at its regularly scheduled full* board meeting on February 5, 2020, voted, by a vote of 38 in favor, 0 opposed, 0 abstaining, and 1 present but not eligible to vote, to support the plan and encourages Hartley House to continue to engage the broader community on the proposed redevelopment and renovation.

# Background

Since 1897, Hartley House has been serving the Clinton/Hell's Kitchen community. The organization's 123-year record of service provided to the community is unmatched. Headquartered in 413 West 46th Street, a row of 4 four story brownstones with a Civil War era rear house, it is located midblock between 9th and 10th Avenues.

In those 123 years of operation, Hartley House has developed a strong presence in the community. At its inception, Hartley House was focused on improving the home lives of the poor families who lived in Hell's Kitchen's tenements. Programs included cooking and sewing classes as well as lessons on hygiene and child care. The programs offered early on were so successful that the settlement house, originally only in a single brownstone at 413 West 46th Street, expanded into the adjacent brownstones at 411 and 409 West 46th Street within the organization's first two years.<sup>1</sup> The buildings included a gym, an auditorium and medical clinics. Throughout its history, Hartley House has adjusted its services to respond to the needs of the local community. In the latter part of the twentieth century, the organization hosted a wider variety of programs, including after school programs, GED preparation and English as Second Language classes, creative arts programs, family day care, and many other programs. Hartley House has served generations of community residents.

In 2017 the organization decided to close the main settlement house building and temporarily relocate its offices from 413 West 46th Street to 1441 Broadway while continuing some of its programming at various locations around the community, including Manhattan High School and Fountain House. The Hartley House organization currently manages an after-school program, case management for seniors, and senior bingo.

# **Building Issues and Hartley House and Community Response**

After being informed of Hartley House's intention to sell their buildings, community members and long-time Hartley House participants, held a candlelit vigil outside the house in March 2018, vowing to save Hartley House. In its presentation on March 15, 2018, Hartley House presented that its facility at 413 West 46th Street had become a burden for the organization. Building mechanical systems were aging, requiring ongoing repair. Roofs were leaking. General building maintenance had been deferred, with increased maintenance costs in the organization's annual operating budgets. Furthermore, the Executive Director of the organization noted that the building no longer served Hartley House's programming needs and a full gut renovation would be required to serve those needs.

In April 2018, MCB4 wrote a letter to Hartley House requesting that they reconsider the decision to sell the building and work with the Board to arrive at a solution to preserve the building, the organization, and its programs. In the same month City Council Speaker, Corey Johnson convened with local organizations to help devise a plan to preserve Hartley House and its programs. The two organizations called upon were Clinton Housing Development Corporation

<sup>&</sup>lt;sup>1</sup> VCU Libraries. Social Welfare History Project: Hartley House Settlement. https://socialwelfare.library.vcu.edu/settlementhouses/hartley-house-settlement/

(CHDC)<sup>2</sup> and Hudson Guild. CHDC is an affordable housing developer in Hell's Kitchen, who since 1973 has developed over 1,000 affordable apartments in 80 buildings. Hudson Guild is a 100-year-old plus organization providing services to over 14,000 people in the Chelsea and Hell's Kitchen neighborhoods in the areas of arts programming, early childhood education, community building, mental health services, senior services, and youth and development education. Through the summer of 2018, the Speaker, Hudson Guild and CHDC worked to put all the pieces in place to build a sustainable solution for Hartley House and the community it serves.

Finally, in September 2018 on the steps of Hartley House, Hartley announced, with the Speaker, Hudson Guild and CHDC, that a plan has been developed to preserve Hartley House and its programs. The Speaker had secured \$222,000 from the Full Year 2019 budget in operating funds for Hartley House to continue providing programs and services. For the Full Year 2020 budget, Speaker Johnson secured an additional \$100,000 and in October 2019 Hartley House was awarded \$40,000 from New York State Senator, Brad Hoylman.

With funds secured, Hartley House had the assurance to begin the stabilization planning. With the help and guidance of CHDC and Hudson Guild in over 60 meetings in 2018 and 2019, Hartley House devised a solution to preserve the property and continue programming and events.

## **Current Situation**

Hartley House is working with both CHDC and Hudson Guild to develop Memorandums of Understanding (MOUs) to detail the future working relationships.Since September 2018 CHDC has been managing the building, under a license agreement and has stabilized the building. Hartley House was able to move staff and offices back to the building in December of 2018, with a CHDC Facilities Manager managing the day to day operations. CHDC continues to perform clean up, interim repairs, and violation removal and through CHDC Cameo Studios booking agent, is booking short term rentals and community events to increase operating revenue to Hartley House. Hudson Guild is providing assistance on organizational administration including the 2018 and 2019 audits.

# **Proposed Redevelopment**

Hartley House will continue to own the House and operate its programs from 413 West 46th Street. CHDC will net lease the House from Hartley to redevelop the buildings with modern infrastructure, while preserving the historic structures and rooms. CHDC will develop Supportive Housing and new program space for Hartley House. Hartley will net lease back the Hartley House program space from the CHDC net lease entity. This arrangement allows Hartley House to boost its services in a renovated modern facility that is economical to operate. The renovation of the program space of Hartley House will include social and community services offices, program spaces, bathrooms, courtyard, and gym, with a rooftop addition. The buildings will be redesigned to also create 23 units of Supportive Housing with a preference for LGBT senior citizens, 60% formerly homeless and 40% community residents. The development will preserve and restore the West 46th Street façade, the Carriage House façade, the gym, and historic 2<sup>nd</sup> floor rooms including the Dining Room, the Parlor, the Library, and the Pink Room.

<sup>&</sup>lt;sup>2</sup> Joe Restuccia is a member of MCB4 who is Co-Chair of the Housing, Health, and Human Services Committee and Executive Director of the Clinton Housing Development Company. Mr. Restuccia recused himself from voting.

The renovation will allow for the complex to finally be ADA compliant. This will include installing an exterior elevator in the courtyard, serving both residential and program spaces, new ramps at the front entrance, and courtyard, compliant restrooms and compliant fire egress and alarm systems. In addition, the complex will be Administration for Children (ACS) compliant with the number of bathrooms needed for children's activities, a total of 15 new restrooms. The courtyard will be renovated and replanted as well.

Program	Supportive Housing	
<b>Targeted Tenants</b>	LGBT Seniors, Homeless, and community members	
# of Units	23	
Type of Units	22 Studios & SRO units 1 2-bedroom super unit	
% of AMI	14 units at 50% & 8 units at 60%	
Public actions	Mayoral override required for super's unit at Carriage House	
<b>Rental Subsidy</b>	al Subsidy At minimum, Homeless units will receive rental subsidy, with tenants	
	paying 30% of income	

### **Housing Program**

#### Income Limits and Rents based on 2019 Area Median Income

Income

Family Size	50% AMI	60% AMI
1	37,350	44,820

#### Rents

Unit Size	50% AMI	60% AMI
SRO/Studio	\$696	\$856

### **Project Financing**

Financing will come from multiple sources. New York City Council Speaker Corey Johnson has awarded \$3 million in NYC Capital Budget funds to CHDC for the redevelopment of Hartley House. The project will also be partly financed with Historic Tax Credits and Low Income Housing Tax Credits (LIHTC).

Project Uses	
Hard Costs	7,770,800
Soft Costs (40% hard costs)	3,108,320
Contingency (15%)	1,631,868
Total	12,510,988

Project Sources	
Supportive	3,125,000
LIHTC	4,208,813
HTC	2,175,824
City Council	3,001,351
Total	12,510,988

The project is being reviewed by New York State Historic Preservation Office (SHPO).CHDC has already engaged historic preservation consultant Higgins and Quasebarth. The historic spaces within the house that will be preserved and restored include:

- All facades (W46th, rear & Carriage House)
- The Dining Room
- The Parlor
- The Pink Room
- The Library
- Staircases 1st to 3rd floors

#### Conclusion

The proposed plan demonstrates what is possible when stakeholders come together to leverage capabilities and resources. Two years ago, the community was at serious risk of losing an institution that had served the Hell's Kitchen neighborhood for over 100 years. Thanks to the City Council Speaker's office, Hudson Guild, CHDC and the concerned citizens of this community, a sustainable project has been developed to keep Hartley House serving Hell's Kitchen for another hundred years.

Sincerely,

[Signed 2/24/2020] Maria Ortiz, Co-Chair Housing, Health & Human Services Committee

Joe Restuccia, Co-Chair Housing, Health & Human Services Committee