



## COMMUNITY BOARD NUMBER 1

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### ECONOMIC DEVELOPMENT/LAND USE & HOUSING COMMITTEE

#### MEETING

SEPTEMBER 13, 2006

#### MINUTES

**Attendance:** Arline Parks, Lydia Adams, Juan DeJesus, Lucas Henriquez, A. Mychal Johnson, Myra Lewis, Estelle Loud, Walter Christopher Nash, Gilberto Rivera, Alice Simmons, Betty Wessley, Burnestha Wilder, Delores Waller-Worrell.

**Others Present:** Ted Weinstein, HPD, Jessica Wurnarg, HPD, Aura W. Hunter, HPD, William Bollinger, Jackson Development Group LTD., Guido Subotovski, Jackson Development Group, LTD.

#### Jackson Development Group, LTD.

Mr. Guido Subotovski presented the proposed development of 429 East 139<sup>th</sup> Street.

Since 1999 we've built over 500 homes in the Bronx of two, three and four families. We're currently building four three family homes on the eastside of the site. In 2003 we built five three family homes. We propose to build another three family home on this lot two units per floor 36,000 hundred square feet. We plan to sell this home at a price that is affordable less than \$500,000 thousand with the other homes going for in the range of about \$650. We try to offer the greatest amenities we can in the homes, we offer Formica counter tops, the house has a driveway and we want to build it in the same style as the other nine homes. We feel that putting a home that's ours in this lot would be an excellent idea and would be fitting for that area.

This would be developed and put through as an appendage to a New Foundation type program. It's a program created a few years ago to take city-owned property and essential put them through a disposition process where you try to arrange a cheaper range of affordability. Normally the foundation would have multiple houses eight, ten, twelve, fifteen houses and you look for a sale range for some of them up to 80%, 110%, and

**Pg. #2**

120% whatever the range is. In this case this is one house but they need a process of which to dispose of it you just can't dispose on a sole source basis you have to go through another program. So that's how it would work and it goes through an accelerated UDAP.

Right now our current houses we put a sign up and people call that's how we do it, but obviously I believe we're going to have to do a lottery process on this house.

Mr. Ted Weinstein from HPD said that on city-owned property our architects review the proposal and they'll have comments talking about the house, site, and room's things like that just as with any other project we do. We didn't have that kind of review on the other houses they did because we were not involved. But on this one, we will and that may result in some changes with what you're actually seeing now. This is not going through an RFP it's what we call sole source which means it's being designated for this, but we like to have community board support when we do that. It's still on the agenda for our site control committee and they will not get a site control letter until we get the community board support.

The New Foundations program when it first started did not have income limits, but now on most of them there is a subsidy so there are income limits. This one I don't know if the numbers were worked out yet to determine that.

Mr. William Bollinger said no we don't have any subsidy. We have to sell it for a price but you're restricted on the bottom end that you have to be able to carry the mortgage not just that but you yourself for your housing portion.

Mr. Ted Weinstein said we will limit the price.

Mr. William Bollinger presented the proposed development of 520 Concord Avenue.

We call it the granite because we've already taken out about \$200,000 thousand dollars worth of rock on this site. It is a huge rock up on Concord Avenue between 149<sup>th</sup> & 148<sup>th</sup> Street. We bought that about a year ago and subsequently we removed the rock. We're severing the parcel there's also like a little used car lot on 149<sup>th</sup> Street. It's actually one big parcel of land we're sub-dividing it and it's already been done and we're going to do two 25 foot wide three story buildings ground floor commercial with two apartments above and we sell those. On this parcel of about 16,000 square feet we're proposing to build 77 units of affordable housing using the cities through HDC land program which would use bonds with as of right housing credits and it would be coupled with income from 421A Certificate program. So when we develop this we sell half benefits to developers in Manhattan who are constructing luxury high-rises in exchange for those benefits that they're getting from the city. This is how the city creates housing that's

affordable throughout the rest of the city. We're talking about studio, one, and two-bedroom apartments where the rent will be set at \$638-studio, \$683-one-bedroom, and \$823-two-bedroom unit.

If you remember where the old furniture store burned down on Westchester Avenue, between Intervale & Kelly we're putting 115 units there. There we're putting underground parking because parking is always an issue. Here we can't do it because there is a big rock there. This building is on grade and we're actually putting the laundry room and community space on the ground floor as you walk in and the recreation room will front out to the garden. There will be a landscape garden right behind where the rock lies.

The rents will vary depending on household size if you look at the maximum income ranges those are assuming the standard apartment, but if you have somebody that is in a two-bedroom that has four people than that would be up a little bit higher. If you had let's say a single adult with a child eleven or twelve and of a different sex than they have to be in separate bedrooms and that would be a little bit lower so it would vary a little bit on that.

We very well may on the 6,000 foot parcel sell those as individual condos on the site fronting 149<sup>th</sup> Street. But the acquisition cost here just dictated that it wasn't possible to do that. We're building 80 some condos throughout the South Bronx on Crotona Avenue and Sedgwick Avenue. Those models typically are four story walkups where we either have two eight family buildings on one lot or two four family buildings on the property and that's how we're able to achieve it without any elevator, but here the acquisition cost was much too high.

We chose not to do that in this building like special needs there are certain components where you can get extra subsidies if you put in like homeless people. This particular building is all targeted for people with 55% AMI. There are HPD marking requirements that require that 50% of the units (38) directed towards community board one residents, 5% has to be directed towards Municipal employees, 2% for visually impaired and 2% for mobile challenged. There are some programs where you're required because you're getting subsidies to put in like let's say 30% of the units would be referred from HPD for like a shelter program that's not the case here at all, but if somebody were homeless because they're visually impaired and they had like a voucher than we would put them in the building. The average Area Median Income (AMI) for all New York City is \$70,900 dollars. That's how they determine through these programs affordable housing. So what would happen if you're a family of four and you're making \$70,900 dollars 55% of that you rate about \$38,000 dollars which is what the target income is for this project. So if you make between \$38 to \$40 thousand dollars than as a family of four that's the most you could make to qualify for apartments here. For a three-bedroom it could go up to \$45,000 thousand.

Mr. Ted Weinstein said that each year the federal government announces to the entire country what the median incomes are for Los Angeles, Chicago there's a number all over. The numbers then for the New York metropolitan area are announced and they have what the median would be and a lot of programs are based on that. For example our low income programs are generally for people who are under 60% of the median. So if the median for a family of four is \$70,900 60% of that which is about \$42,000 or so becomes the maximum income generally for the HPD Lamp program and for various kinds of tax credits. Now we then have an HDC program also for people who are making say under, 80% of the median or in some cases 100% of the median. Really what we're saying here is that in this case what they're using is 55% of the median a little under the 60. So it would be about \$38,000 to \$39,000 thousand something like that for a family of four would be an actual income for this building. A lot of the projects that we've come to you with for development are based on the same thing except they don't usually talk about it that way because it's not really meaningful. What's meaningful to you are actual dollar amounts.

What I was thinking when I first saw the lot my feeling was that this would probably be a good site given that the lot fronts on 149<sup>th</sup> Street to take advantage of this and they could do more of a mixed-income project rather than do a low-income project only. My question is why not consider using the entire lot doing a building that would be mixed-income that would therefore be providing some number of apartments for the same income-level but also for people with a slightly higher income using the AMI. So that people who are making more like in the \$50,000 to \$60,000 thousand range who are in the community. A two-income household for example people making \$30,000 thousand and there are a lot of people like that in this district so that it would be for them as well. Because one of the things we talk about is trying to create more economic diversity in the area and when we have a specific location that might be a little more marketable that way and I think you agree that this might be since you're talking about possibly doing some condos on 149<sup>th</sup> Street. Why not then just do one building using the entire lot and make it mixed-income.

Mr. William Bollinger said that there are two answers to that, one we did look at doing one building on there with configurations but based on zoning we couldn't link the buildings because you need to have rear yards. We spent a lot of time looking at ways of efficiencies trying to make them both elevator buildings to connect so that you could use one elevator not have to have a second elevator but kind of link them together. There is still a big grade change also between 149<sup>th</sup> Street and Concord Avenue. So we did look at that aspect of it and you couldn't do one building it just didn't work. So what that meant is then you had to have two separate buildings. Jackson Development is developing over 80 condominiums in the Bronx with no subsidies at all from HPD. The reason this also didn't work is when we build our condominiums we have to worry about par because there is only so much you can ask somebody to pay for an apartment. Right now we're selling a three-bedroom from \$240,000 to \$275,000. Those are sites that

we're not building to their fullest capacity because we were able to acquire the sites and merge them for less money.

### Legacy Project

Mr. Ted Weinstein of HPD said as you know the site on Brook Avenue & 156<sup>th</sup> Street right above the High School athletic field as part of the Bronxchester Urban Renewal area. A site that has been sitting there for many, many years used to have a railroad that ran along side it that has been long abandoned. At the same time we were thinking about the best use for the site the New York Chapter of the American Institute of Architects was looking for a site to try and do a design competition that requires some creativity and somebody could do affordable housing but do something a little different do something creative. So it was a good marriage we had a site that was unusual to develop they were looking for a site so we got together with the AIA and decided to do a design competition which was announced last year. The other thing unusual is that there is a jury not just the usual selection process. A jury was created made up of the Commissioner of HPD, Commissioner of the Department of Design & Construction a number of well known architects, and the Borough President. This jury was created to review the proposals. It's a two-step process the first step was for development teams made up of developers, architects and contractors to submit sort of a resume you might say of their experience, background and what they've done and then the jury would meet and select five finalists. Then those five finalists would submit their proposal of what they're building on that site. What were looking for is something that is different something you don't usually see in the Bronx something that is really going to stand out but also something that's going to show that affordable housing may not look bland may not look like the routine. We want people to think outside the box. So that was the whole idea and something that we're all very excited about. So then we did have that community workshop back in the spring at Lincoln Hospital so that there would be input from the community as to what you feel is important. There's going to be another one on Monday night the 25<sup>th</sup> because we want the community to meet the five finalists. Today there was a press release announcing that the jury had met and picked the five teams. These five teams will now have until December 1<sup>st</sup> to put together their specific proposals for that site. We have already given them the information from the previous community workshop but we want them to meet face to face with the community so there could be questions asked and answered. We urge everyone to come out on Monday, September 25<sup>th</sup> at Lincoln Hospital from 6:30 PM to 8:30 PM. We thank the community board for their sponsorship.

The committee discussed the item requiring a vote.

**Pg. #6**

Motion made to give Jackson Development Group, LTD. a letter of support on their proposed development project at 429 East 139<sup>th</sup> Street. Motion duly seconded. Called and passed unanimously.