New York State Urban Development Corporation d/b/a Empire State Development

CLARKSON ESTATES MIXED USE PROJECT (Land Use Improvement and Residential Project)

General Project Plan Adopted May 19, 2022; Affirmed August 18, 2022

I. <u>BACKGROUND</u>

The New York State Urban Development Corporation ("UDC") d/b/a Empire State Development ("ESD") is adopting this General Project Plan ("GPP") for the proposed Clarkson Estates Mixed Use Project (the ("Proposed Project"), a Land Use Improvement and Residential Project that ESD, in collaboration with New York State Homes and Community Renewal ("HCR"), is sponsoring pursuant to the New York State Urban Development Corporation Act (the "UDC Act").

The Proposed Project is part of the State of New York's Vital Brooklyn Initiative, a comprehensive community development initiative that addresses chronic social, economic, and health disparities in Central Brooklyn, one of the most underserved areas in the State. The Vital Brooklyn Initiative is a model for community development and wellness, breaking down barriers to health and wellbeing through eight integrated areas of investment: open space and recreation; healthy food; education; economic empowerment; community-based violence prevention; community-based health care; affordable housing; and resiliency. This targeted initiative leverages State programs and resources to empower New Yorkers in Central Brooklyn to improve their well-being.

The Proposed Project will be constructed on an approximately 54,843 square foot site located at 329 Clarkson Avenue, Brooklyn, New York 11226, and designated on the current Kings County Tax Map as Block 4828, Lot 21 (the "**Project Site**"). The Project Site currently is owned in fee by The Health Science Center at Brooklyn Foundation (the "**Foundation**"), an affiliate of SUNY Downstate Medical Center ("**SUNY Downstate**") and is subject to a mortgage in favor of Ferrante Special. The existing 1-story parking garage on the Project Site will be demolished and replaced with a 9-story, approximately 345,000 gross square foot (GSF) mixed-use complex, which primarily will consist of affordable housing, together with community facility space and parking.

In November 2018, HCR released a Request for Proposals ("RFP") to develop eight (8) sites in Central Brooklyn with new affordable housing and ancillary facilities to advance the objectives of the Vital Brooklyn Initiative. The Project Site was identified as "Site L" in the RFP. Among other things, the RFP envisioned that the selected developer ("Developer") would purchase the Project Site and that the proposed development would be implemented through ESD's overrides of existing zoning, as authorized under the UDC Act, to the extent necessary to support the Proposed Project. In July 2020, ESD, in partnership with HCR, selected the following entity as the conditionally designated developer (the "Developer") for the Proposed Project: CAMBA Housing Ventures, Inc. ("CHV") The Developer proposes to acquire fee title to the Project Site and to

Vital Brooklyn RFP Purchase Price = one dollar
See \$31

construct new affordable housing, supportive housing, commercial space, and community facility space, as more fully described below in **Section III**, "**Project Description**".

II. LOCATION AND DESCRIPTION OF THE PROJECT SITE

The Project Site is located at 329 Clarkson Avenue, Brooklyn, New York 11226, and is identified on the current Kings County Tax Map as Block 4828, Lot 21. The Project Site is situated in the Prospect Lefferts Gardens neighborhood of Central Brooklyn, in Community District 9. It consists of approximately 54,843 square feet of land area and is improved with a 1-story, approximately 45,120 GSF parking garage that was originally constructed in 1958. The garage provides 120 interior parking spaces, 17 exterior spaces, and the capability to provide valet parking for 35 additional cars, thereby resulting in a total parking capacity of 172 spaces. The parking is only available to SUNY Downstate staff and students.

Land uses adjacent to the Project Site consist of the Rolph Henry Playground and a fuel station to the east, a retail/warehouse building to the west, and a three-story research building to the north. To the south across Clarkson Avenue are eight story multifamily buildings and a parking lot.

The Prospect Lefferts Gardens neighborhood in general is largely comprised of 1-4 family residential buildings, with some clusters of multifamily and mixed-used buildings along busier roads, including Ocean, Flatbush, and Nostrand Avenues. More than 30% of residents in Prospect Lefferts Gardens and nearby parts of South Crown Heights spend more than half of their monthly gross income on rent, demonstrating the need for affordable housing in the neighborhood.¹

III. PROJECT DESCRIPTION

The Proposed Project will be a 100% affordable housing project that will cater to low-income families and individuals, as well as families experiencing or at risk of homelessness, with a focus on promoting the health and well-being of all its residents. The Project will consist of the following elements:

- A residential building with a total of approximately 328 affordable housing units, approximately half of which would be permanent supportive housing;
- Approximately 32,000 GSF of community facility space, the majority of which is anticipated to be occupied by a CHV affiliate and other nonprofit organizations, including but not limited to the following anticipated spaces:
 - Full Court Basketball Court;
 - Daycare;

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¹ Reference: "State of the City 2020: South Crown Heights/Lefferts Gardens" (report by the New York University Furman Center, citing 2019 data).

- Adult Education, Financial Literacy, Economic Development and Workforce Training Center;
- o Healthy Living Center;
- Violence Prevention and Mediation Center;
- Enclosed parking with approximately 80 spaces; and
- Free building-wide wireless internet and the implementation of sustainable design.

All of the estimated 328 residential units within the Proposed Project are anticipated to qualify for Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code. The anticipated residential unit mix is shown in the chart below and will conform to any other set-asides that may be required by HCR and/or the New York City Department of Housing Preservation and Development ("HPD").

Unit Summary

Unit Type	# of Units	% of Total Project
Studio	119	36%
1 Bedroom	115	35%
2 Bedroom	67	20%
3 Bedroom	26	8%
Building Superintendent Unit	1	< 1%
Total Units	328	100%

The anticipated mix of uses in the Proposed Project's development program, by approximate gross square footage, is shown in the chart below.

Development Program

Unit Type	Gross Square Feet	% of Total Project
Residential	298,000	86.4%
Community Facilities	32,000	9.3%
Cellar Parking	15,000	4.3%
Total Gross sf	345,000	100.0%

To facilitate the Proposed Project, ESD must override the New York City Zoning Resolution, and other local laws and requirements as applicable, in accordance with the UDC Act and as further discussed in **Section VII** below. As also discussed in **Section VII** below, the GPP incorporates design controls ("**Design Guidelines**") that specify the parameters for permitted development of the Proposed Project in lieu of zoning or other local laws or requirements that are inconsistent with the Proposed Project.

As further described in **Section VIII** below, the Proposed Project requires discretionary approvals subject to environmental review under the State Environmental Quality Review Act ("SEQRA") and its implementing regulations set forth in 6 NYCRR Part 617.

IV. PURPOSE AND NEED FOR THE PROJECT

The Proposed Project will facilitate the reuse of underutilized property to (i) provide affordable housing to the significantly underserved Prospect Lefferts Gardens neighborhood of Central Brooklyn, including supportive and affordable housing; and (ii) improve wellness, well-being and economic opportunities for Clarkson Estates residents and the surrounding community. As part of the State's Vital Brooklyn Initiative, the Proposed Project will leverage State programs and resources to improve individual, family and community wellness and health. The Proposed Project also will improve economic opportunities in Central Brooklyn, an area of New York State that has long suffered from disinvestment and marginalization that has hindered the wellbeing of its residents. Residents experience measurably higher rates of health problems, limited access to healthy foods or opportunities for active recreation, and high rates of violence and crime. The Proposed Project will help to ameliorate these conditions by creating a health-based community that provides open space and other recreational, and social service, and wellness amenities.

The Proposed Project will provide multiple public benefits, including but not limited to:

A. Elimination of Substandard/Insanitary Conditions

Absent a project to use the property, the Project Site would remain underutilized. Such conditions would hamper or impede sound economic growth and development and impair or arrest the sound growth of the area surrounding the Project Site. The Proposed Project will eliminate substandard and insanitary conditions at the Project Site and/or the proliferation of any such conditions in the future. The ground floor spaces along Clarkson Avenue will be vibrant and activate the sidewalk along this portion of the Clarkson Avenue corridor, creating a safe and inviting streetscape where an unengaging and windowless brick facade exists today.

B. <u>Economic Development, Job Retention and Creation</u>

The Developer, in conjunction with project partners such as the General Contractor and Property Manager, intends to engage in a comprehensive local economic development initiative through partnerships with City and community organizations. This includes targeted marketing of employment opportunities; facilitating referrals to construction job training; and working with the NYC Economic Development Corporation, the NYC Department of Small Business Services, and other local organizations with the goal of hiring and retaining local residents. The Proposed Project is expected to directly create approximately 200 construction jobs, including approximately 19 new hires, and 29 permanent jobs including building staff and on-site social service staff.

C. Affordable Housing



The Proposed Project will facilitate the construction of affordable and supportive housing in Prospect Lefferts Gardens, including housing for homeless youth aging out of foster care, homeless young adults, formerly incarcerated homeless individuals, chronically homeless families, and low income families in a significantly underserved portion of Central Brooklyn. The Proposed Project will significantly contribute to meeting local demands for quality affordable housing for low-income households and supportive housing for residents who receive publicly funded support and services, as further described in the Residential Project Findings portion of Section VI below.

- D. <u>Features that Serve Residents and the Prospect Lefferts Gardens Community</u> In addition to providing affordable housing, the Proposed Project will:
 - Make the health and well-being of all of the building users a priority by focusing on active and sustainable design with an emphasis on healthy materials;
 - Reserve space for miscellaneous community facility uses (described in **Project Description**) that will serve residents of the Project and the local community;

E. Open Space and Recreation

The Proposed Project will create dedicated recreation and exercise facilities for residents, including a full indoor basketball court, gym and plentiful outdoor space consisting of a courtyard and rooftop terraces. These outdoor areas provide a mix of programmed and flexible spaces, promoting community cohesion, and an active lifestyle for its residents.

F. Free Wi-Fi

The Proposed Project will provide free Wi-Fi in each apartment as well as in community rooms and lounges, responding to an unmet need for affordable broadband and addressing the digital divide.

G. Sustainability

The Proposed Project will incorporate a combination of energy efficiency and environmental/community sustainability strategies. The Developer is pursuing Passive House and NYSERDA's New Construction Program certifications.

H. <u>Interim construction benefits</u>

Construction of the Proposed Project will create direct benefits resulting from expenditures on labor, materials and services, and indirect benefits due to expenditures by material suppliers, construction workers and others engaged in construction of the Project.

The Proposed Project will unlock an underutilized site, create much-needed affordable housing, and enable productive uses that will benefit the immediate neighborhood.

V. SUMMARY OF ESSENTIAL BUSINESS TERMS

A. Property Acquisition and Disposition of the Project Site

Developer will acquire title to the Project Site from the Foundation upon mutually agreeable terms. Developer will be responsible for all costs of due diligence, site preparation and any and all other preliminary work on the Project Site.

B. Project Financing

Developer will use its best efforts to apply for financing from both private and public sources in such amounts and types as are necessary to develop and construct the Proposed Project. HCR will assist with facilitating public financing to support the Proposed Project.

C. Use Restrictions

As part of the Proposed Project financing arrangements, HCR will enter into binding agreements with the Developer to assure that the Project is designed, constructed, developed, operated, and maintained in conformity with specified requirements.

D. ESD Project-Related Costs and Expenses

Developer will fund all out-of-pocket, third-party expenses incurred by ESD in connection with the Proposed Project. Developer has committed to funding these expenses, executed a Cost Agreement with ESD, and deposited funds in an ESD-administered imprest account pursuant to this agreement as security for payment of these expenses. Developer also will pay to ESD at closing an administrative fee equal to the cost of ESD's direct and actual documented staff time on the Proposed Project, capped at \$1,000,000.

E. Construction

Developer will commence construction of the Proposed Project promptly after the closing. The anticipated new construction period is twenty-seven months (including time for DOB sign offs).

VI. UDC ACT SECTION 10(c), 10(a) AND 10(g) FINDINGS; PUBLIC PURPOSE

ESD, pursuant to Section 10 of the UDC Act, makes the findings set forth below.

A. Land Use Improvement Project Findings: UDC Act Section 10(c)

(1) The area in which the Project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.

Considered as a whole, the Project Site is substandard, significantly underutilized and characterized by blighted and substandard conditions or is in danger of becoming a substandard or insanitary area that, without the Proposed Project, could impair or arrest the sound growth and development of the Prospect Lefferts Gardens section of Brooklyn and surrounding areas of the City. The Proposed Project will redevelop the Project Site, which currently is underutilized as a parking lot, into a vibrant affordable housing and mixed-use project that will revitalize the area and provide numerous benefits to its residents and the community as a whole.

(2) The Project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

The Proposed Project is a comprehensive redevelopment initiative that will clear, replan, reconstruct, and rehabilitate the Project Site to create a revitalized new affordable and supportive housing community with appurtenant mixed-uses that will cater to low-income families and individuals and households experiencing or at risk of homelessness, with a focus on promoting the health and well-being of all its residents.

(3) The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

The Proposed Project will be constructed by a private developer, and the new residential and appurtenant mixed uses will be operated and managed by private and non-profit entities. The Project has been planned with input from the community and elected officials to ensure that it is consistent with the needs of the surrounding neighborhoods and the City as a whole.

B. Residential Project Findings: UDC Act Section 10(a)

(1) There exists, in the area in which the project is to be located, or in an area reasonably accessible to such area, a need for safe and sanitary housing accommodations for persons or families of low income, which the operations of private enterprise cannot provide.

There is a dire and well-documented housing crisis in the City of New York, and the Central Brooklyn area in which the Proposed Project will be located is particularly underserved with affordable housing. Brooklyn Community Board Nine listed affordable housing foremost among the neighborhood's pressing issues in its Fiscal Year 2021 Statement of Community District Needs.

The private market alone has not been able to meet the need for affordable housing in Prospect Lefferts Gardens. Accordingly, governmental entities at all levels must work together to mitigate the shortfall. ESD's collaboration with HCR to implement the Proposed Project and other projects proposed under the State's Vital Brooklyn Initiative will help address the need for safe and sanitary housing accommodations for persons and families of low income, which private enterprise alone cannot provide.

(2) The project has been approved as a project of a housing company pursuant to the provisions of the private housing finance law.

The Proposed Project will be owned in fee by an approved Housing Development Fund Corporation created pursuant to Article XI of the Private Housing Finance Law.

C. UDC Act Section 10(g)

There is a feasible method for the relocation of families and individuals displaced from the Project area into decent, safe and sanitary dwellings, which are or will be provided in the Project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places of employment.

The Project Site currently is used for parking and there are no residential occupants on the site. Consequently, no residential relocation is required under UDC Act Section 10(g).

VII. ZONING OVERRIDE; APPLICATION OF NEW YORK CITY CONSTRUCTION CODES

In order to implement the Proposed Project as proposed, ESD would override all inconsistent provisions of the New York City Zoning Resolution in accordance with the UDC Act and implement Design Guidelines, which would act as design controls and govern development of the Project Site in lieu of local zoning. The scope of the Design Guidelines would include site planning; land uses; densities; and design controls for the Proposed Project's buildings, open space and other features. The Design Guidelines would govern project elements such as, but not limited to, floor area, use, open space, density, height and setbacks, parking and loading, lighting, and street tree planting.

The Project Site and the remainder of Block 4828 are in an M1-1 zoning district which, under the New York City Zoning Resolution, is a light manufacturing district that allows for various manufacturing, commercial, and community facility uses. However, land uses within a 400-foot radius of the Project Site are comprised of a diverse mix of uses that does not include any manufacturing or industrial uses. The western portion of Block 4828, which is mapped with an R6 district with a C2-3 commercial zoning overlay, is occupied by five multifamily walk-up buildings and seven mixed residential and commercial buildings, and the eastern portion of Block 4828 is occupied by a playground, a gas station and utility uses. Block 4829, located across New York

Avenue, is almost entirely occupied by the New York City Department of Health and Hospitals Corporation facilities and by the SUNY Downstate Medical Center. Lots adjacent to the Project Site to the north are occupied by the SUNY Downstate Biotechnology Incubator at 760 Parkside Avenue. Block 4827 to the north, across Parkside Avenue, is partially within an M1-1 zoning district and partially within an R6 zoning district that is largely occupied by a parking facility. Block 4837 to the south is occupied by a mix of residential and commercial uses.

ESD's proposed zoning overrides for the Proposed Project will foster development of affordable housing and other elements on the Project Site that would not be permissible as of right under the site's current M1-1 zoning. Through the zoning overrides and Design Guidelines, ESD will implement site controls comparable to those associated with an R7A zoning district with a C2-4 commercial/community facility overlay, with additional allowances for height, FAR, permitted obstructions, yard regulations, and number of permitted units. An R7A district with a C2-4 commercial overlay is mapped across Clarkson Avenue directly to the south of the Project Site. R7A zoning districts typically produce high lot coverage, 7 to 9 story apartment buildings, blending with existing buildings in many established neighborhoods as well as permitting community facilities. C2-4 overlays allow for one commercial space in residential buildings only, and the commercial use must be located on the first floor or lower. All components will be consistent with the Proposed Project's goals and objectives while being similar to, and compatible with, the uses in the surrounding neighborhood. The City, through the Department of City Planning, has been advised and has provided input on the proposed overrides, pursuant to UDC Act Section 16(1).

Subject to any applicable zoning overrides implemented by ESD, the New York City Building and Construction Codes will apply to all construction, buildings, structures, and infrastructure to be developed and maintained on the Project Site. The permitting authority for the purposes of the Building Code is the New York City Department of Buildings.

VIII. ENVIRONMENTAL REVIEW

Pursuant to SEQRA, HCR, as the SEQRA lead agency for the Proposed Project, has determined that the Project is a "Type 1" action under SEQRA and has prepared an Environmental Assessment ("EA") that evaluates whether the Project may have any significant adverse impacts on the environment. The EA concludes that the Project would not have any significant adverse environmental impacts and as a result, an Environmental Impact Statement need not be prepared. As the final step in the coordinated SEQRA review process, HCR, as the Project's lead agency under SEQRA, and ESD, as an involved agency, each have made a determination of non-significance ("Negative Declaration") based on the assessment of potential environmental impacts contained in the EA.

IX. NON-DISCRIMINATION AND CONTRACTOR AND SUPPLIER DIVERSITY REQUIREMENTS

HCR's Office of Economic Opportunity & Partnership Development would be the central entity managing compliance of goals on the Proposed Project related to utilization of Minority and Woman-Owned Business Enterprises ("MWBE") and Service-Disabled Veteran-Owned Businesses ("SDVOB"). The Developer would be required to include women and minorities in any job opportunities created, to solicit and utilize MWBE and SDVOB for any contractual opportunities generated in connection with project construction, and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8 and 9 NYCRR § 252.2) to achieve an overall MWBE participation goal and an SDVOB participation goal related to the total value of hard costs and soft costs of such construction. HCR would establish specific goals for the Developer pursuant to a *Minority and Women-Owned Business Utilization and Service-Disabled Veteran-Owned Business Agreement*, which the Developer would enter into with HCR when the Proposed Project would be financed.