



**NEW YORK CITY HOUSING AUTHORITY**  
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July 23, 2013

Ms. Gigi Li  
Chair, Community Board 3  
53 East 4<sup>th</sup> Street  
New York, New York 10003

Mr. Mark Diller  
Chair, Community Board 7  
250 West 87<sup>th</sup> Street, 2<sup>nd</sup> Floor  
New York, New York 10024-2706

Mr. Matthew S. Washington  
Chair, Community Board 11  
1664 Park Avenue  
New York, New York 10035

Re: Manhattan Community Boards 3, 7, and 11 July 5, 2013 Land Lease RFP letter

Dear Community Board Chairs Li, Diller and Washington:

On July 5, you wrote to Mayor Bloomberg, Chairman Rhea and Secretary Donovan reiterating your desire that the New York City Housing Authority (“NYCHA”) further delay the issuance of its Land Lease RFP for 14 potential development sites (the “RFP”) located within the borders of Community Board Districts 3, 7 and 11 in Manhattan (the “Boards”). You enclosed copies of resolutions adopted by the Boards and raise a multitude of issues that may be engendered by the proposed new developments. I write to respond on behalf of NYCHA and have shared this response with the City of New York.

Reading the letter, one would assume that NYCHA has not been forthcoming about its plans and has failed to answer the questions you and others have raised. In fact, NYCHA has

released an enormous amount of information about the initiative and has met, at length, with representative of all three Boards. Additionally, NYCHA has delivered written responses to your questions, and those posed by others, and posted that material on the NYCHA website. A summary of the RFP has also been posted, along with a detailed zoning analysis of each and every site. Inclusive in the posted analyses are both the “as of right” building scenarios permitted by the New York City Zoning Resolution and the restricted density and height requirements that NYCHA will impose on the developers of these sites. It should be noted that many of these zoning restrictions were voluntarily imposed by NYCHA and were developed based on conversations with community leaders, NYCHA residents and other stakeholders.

In over thirty public meetings, we have repeatedly stressed that this process is in a *preliminary stage*. Additionally, and throughout our preliminary outreach meetings, NYCHA has considered the comments received from those meetings and made substantive changes to our RFP reflecting many of those concerns as evidenced by our delay of the issuance of the RFP. We would also like to stress that an RFP by its very nature is a solicitation of interest and a method of gauging the market’s interest in the properties. Although the RFP itself will outline the requirements for selection it is not a binding contract which forces NYCHA to dispose of its land. NYCHA must first review all proposals and evaluate those proposals based on the criteria set forth in the RFP. Even upon selection and a detailed integrity review of a conditionally designated developer, NYCHA is not permitted to transfer the property without HUD approval. The HUD approval process is a detailed and highly regulated procedure set forth in Section 18 of the Housing Act and its accompanying regulations (24 CFR Part 970). The formal application to HUD is required: (1) to show evidence of consultation with duly elected resident organization leaders and local officials, (2) to identify the material terms of the disposition, (3) to provide a detailed description of future use, and (4) to provide evidence that an environmental review was conducted.

Your letter also raised many concerns relating to environmental impacts and how those impacts will be reviewed. Please note that when NYCHA seeks to dispose of property held in trust for HUD, the Section 18 process, as mentioned above, requires an environmental review under the National Environmental Protection Act (“NEPA”). Federal regulations direct the certifying entity to look to the requirements of the local jurisdiction. Thus, this proposed initiative will require environmental review based on the guidelines set forth in the State Environmental Quality Review Act (SEQRA), which, for New York City projects, uses the City’s Environmental Quality Review (CEQR) manual as its standard. When undertaking this review, NYCHA will solicit and consider the opinion of stakeholders (as is required by the applicable regulations) with respect to the scope of any required investigation or any mitigation action found necessary by the review process.

The nature of the initiative admittedly presents complex issues relating to zoning and environmental regulations. As such, we agree with you that robust engagement with our residents and the community should be encouraged and that our residents should have the benefit of technical advisors they feel are necessary for them to properly assess the potential impacts arising from the plan. NYCHA is committed to facilitating that assistance and to that

end has hired a community-based consultant to assist residents in obtaining dedicated advisors. These advisors can assist residents in making comments to the Section 18 application.

We would also like to reiterate the pressing need to undertake this initiative. Over the next five years, NYCHA's almost 180,000 apartments will require over \$13 billion of capital investment, despite NYCHA's ability to invest over a billion dollars of HUD capital grant funding over that same period. The 10,620 apartments, located in the eight participating developments alone, would need over \$900 million over the same five year period. Based on current funding levels, anticipated future funding levels, and unanticipated funding cuts such as "Sequestration", NYCHA will not be able to meet all its capital needs. In an effort to protect its existing public housing stock, NYCHA has been reducing costs and exploring alternative ways of raising much needed revenue; this plan is an important component in our efforts to preserve public housing. It should be noted that ground leasing of our properties will not require the transfer of ownership from NYCHA or the demolition or replacement of a single public housing unit. Also, the rent collected from the ground leased lots will provide a consistent stream of funding that can be used to help meet our growing need for capital funding, while ensuring the viability of public housing in your Community Boards. The wholesale opposition to NYCHA's plan will only serve to add to the increasing cost of maintaining public housing as it is a call to inaction at a time when decisive action must be taken by NYCHA to arrest the physical decline of its aging housing stock. Put simply, initiatives such as Land Lease are the only way to ensure the continued existence of public housing in New York City.

Moreover, NYCHA's development of its underutilized land is not a new development. Over the last five years NYCHA has provided sites for 2,300 new affordable homes with another 2,000 more in the pipeline. These sites have undergone the rigorous review required by Section 18 prior to their conveyance and have, when a zoning change was required, successfully negotiated the City's ULURP process. In carrying out this goal, NYCHA has successfully worked with third party developers, Community Boards and residents to bring complicated, important projects to fruition. In virtually all of these cases, especially when zoning changes were not required, this consultation began after RFP's were issued and developers conditionally designated.

Thus, NYCHA looks forward to working with you over the next three years that it will take to realize our vision for these eight developments, a vision of a diverse community of nearly 15,000 homes. Homes that are all in good repair and in financially sustainable circumstances, preserving, for the long term, the opportunity for over 11,000 households to find affordable housing in some of the most accessible and desirable neighborhoods of the City while helping to keep our society diverse and rich in opportunity for all.

We are confident that the City's builders, architects and planners will rise to the challenge of NYCHA's RFP and submit proposals that, with the input of all stakeholders, will serve to enhance the lives of NYCHA's residents and to bring vitality and beauty to their surrounding neighborhoods.

Sincerely,



Fred Harris  
Executive Vice-President for Development

cc: Hon. Michael R. Bloomberg  
Mayor of the City of New York  
City Hall  
New York, NY 10007

Mr. Robert K. Steel, Deputy Mayor  
City Hall  
New York, NY 10007

Mr. John B. Rhea, Chairman  
250 Broadway, 12<sup>th</sup> Floor  
New York, NY 10007

Hon. Shaun Donovan, Secretary  
United States Department of Housing and Urban Development  
451 Seventh Street, S.W.  
Washington, DC 20410

Mirza Orriols, Deputy Regional Administrator HUD  
Hon. Nydia M. Velázquez, U.S. House of Representatives, 7<sup>th</sup> New York District  
Hon. Jerrold Nadler, U.S. House of Representatives, 10<sup>th</sup> New York District  
Hon. Carolyn B. Maloney, U.S. House of Representatives, 12<sup>th</sup> New York District  
Hon. Charles B. Rangel, U.S. House of Representatives, 13<sup>th</sup> New York District  
Hon. Daniel L. Squadron, New York State Senate, 26<sup>th</sup> District  
Hon. Brad Hoylman, New York State Senate, 27<sup>th</sup> District  
Hon. Jose M. Serrano, New York State Senate, 29<sup>th</sup> District  
Hon. Bill Perkins, New York State Senate, 30<sup>th</sup> District  
Hon. Sheldon Silver, Speaker, New York State Assembly, 65<sup>th</sup> District  
Hon. Linda B. Rosenthal, New York State Assembly 67<sup>th</sup> District  
Hon. Robert J. Rodriguez, New York State Assembly, 68<sup>th</sup> District  
Hon. Daniel J. O'Donnell, New York State Assembly, 69<sup>th</sup> District

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Hon. Keith L.T. Wright, New York State Assembly, 70<sup>th</sup> District

Hon. Brian Kavanagh, New York State Assembly, 74<sup>th</sup> District

Hon. Scott M. Stringer, Manhattan Borough President

Hon. Margaret Chin, New York City Council, 1<sup>st</sup> District

Hon. Rosie Mendez, New York City Council 2<sup>nd</sup> District

Hon. Gale A. Brewer, New York City Council, 6<sup>th</sup> District

Hon. Melissa Mark-Viverito, New York City Council, 8<sup>th</sup> District

Brian Honan, NYCHA Director of State & City Legislative Affairs