

Waterside Plaza

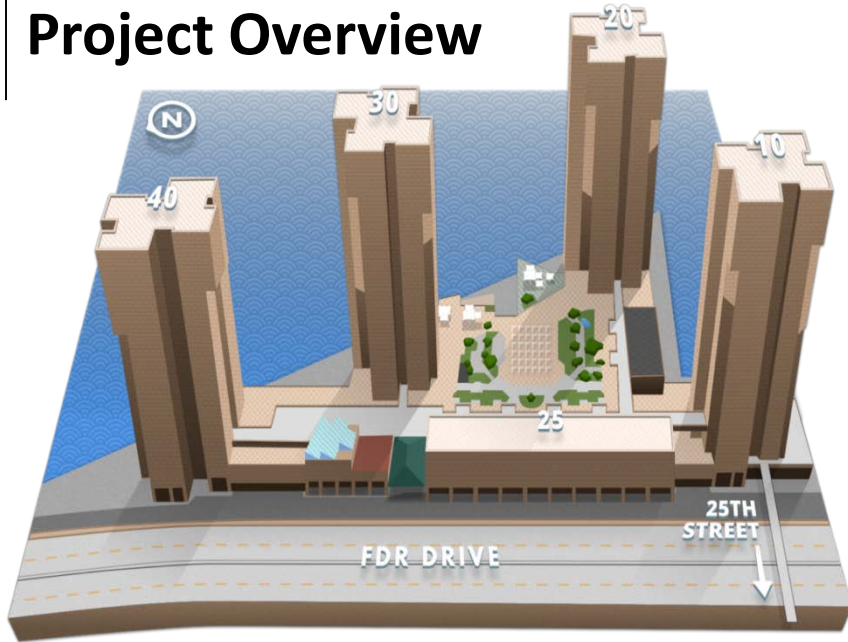
Kips Bay, Manhattan, New York

*Presentation for Manhattan, Community Board 6,
Land Use and Waterfront Committee*



Department of
Housing Preservation
& Development

Project Overview



- Waterside Plaza is a former Mitchell Lama, developed in 1974 by a team lead by Richard Ravitch
- Four buildings containing 1,471 units
- Developed from ground up on vacant, City-owned parcel, east of FDR drive.
- Entered 99-year ground lease with The City in 1970
- In July 2001, property exited the Mitchell Lama program, and the Waterside Tenants Association negotiated and agreed to a Settlement Agreement to protect the tenants
- The tenants that lived in the property when the agreement was entered into became known as the “Settling Tenants”



Proposal Overview

Reason for ULURP: To facilitate a ground lease extension that preserves affordable housing and an extension of the Waterside Urban Renewal Plan

Proposal summary:

- Ground lease extension to new 99 year term
- Suite of benefits for existing Settling tenants
- 325 units maintained as affordable housing for 75 years
- Reduced Payment in Lieu of Taxes (PILOT) during 75 years of affordability restrictions

New Affordability Structure

165% of Area Median Income by Household Size

Benefits for current Settling Tenants:

<u>Household Size</u>	<u>Household Income</u>	<u>Household Size</u>	<u>Household Income</u>
1	\$120,615	5	\$185,955
2	\$137,775	6	\$199,650
3	\$154,935	7	\$213,510
4	\$172,095	8	\$227,205

- Rent benefits:

- Settling tenants earning at or below 165% of AMI will be eligible for a permanent rent freeze, upon income certification, on an ongoing basis.
- Rent burdened tenants will receive a one-time rent reduction to 30% of household income, contingent upon moving into an appropriately sized apartment. This will also apply to Settling Tenants that will retire in the same year that the ground lease is amended.
- Tenants that earn above 165% of AMI, or who do not apply for a rent freeze, will have rent stabilization increases with a floor of 2.25% and a max of 4.25%. If their income goes below 165% of AMI, they can apply for a rent freeze.

New Affordability Structure

Benefits for current Settling Tenants (continued):

- Apartment Move Up/Move Downs: Tenants will have the opportunity to move up or down to larger/smaller units to fit their needs (either reduce rent or allow for more space for caretaker).
- Aging in place improvements: Grab bars in bathrooms, seat in shower, easy to grip kitchen and bathroom hardware, as well as lever handles on doors. Also, where practicable (based on safety considerations, building code requirements, cost and structural constraints), changes to accommodate wheelchairs.

Long term affordability :

- Upon vacancy of a Settling Tenant, the unit will be rent and income restricted to an average of 120% of AMI (\$112,680 income for a family of three, \$2,759 rent for a 2-bedroom apartment).
- Affordability restrictions will last 75-years, after which rents phase up to market over five years.

Ground Lease Amendment

Current Ground Lease

- Project entered 99-year ground lease in 1970
- PILOT payment structure implemented with lease amendment in 2001 whereby PILOT phased up 5% per year until reaching full taxes in 20 years
- PILOT payment is currently 85% of full taxes

Proposed Amended Ground Lease

- New 99 year term (through 2117)
- PILOT payments will be maintained at 85% of full taxes until year 75 (matches affordability term)
- After year 75, PILOT phases up to full taxes over 5 years