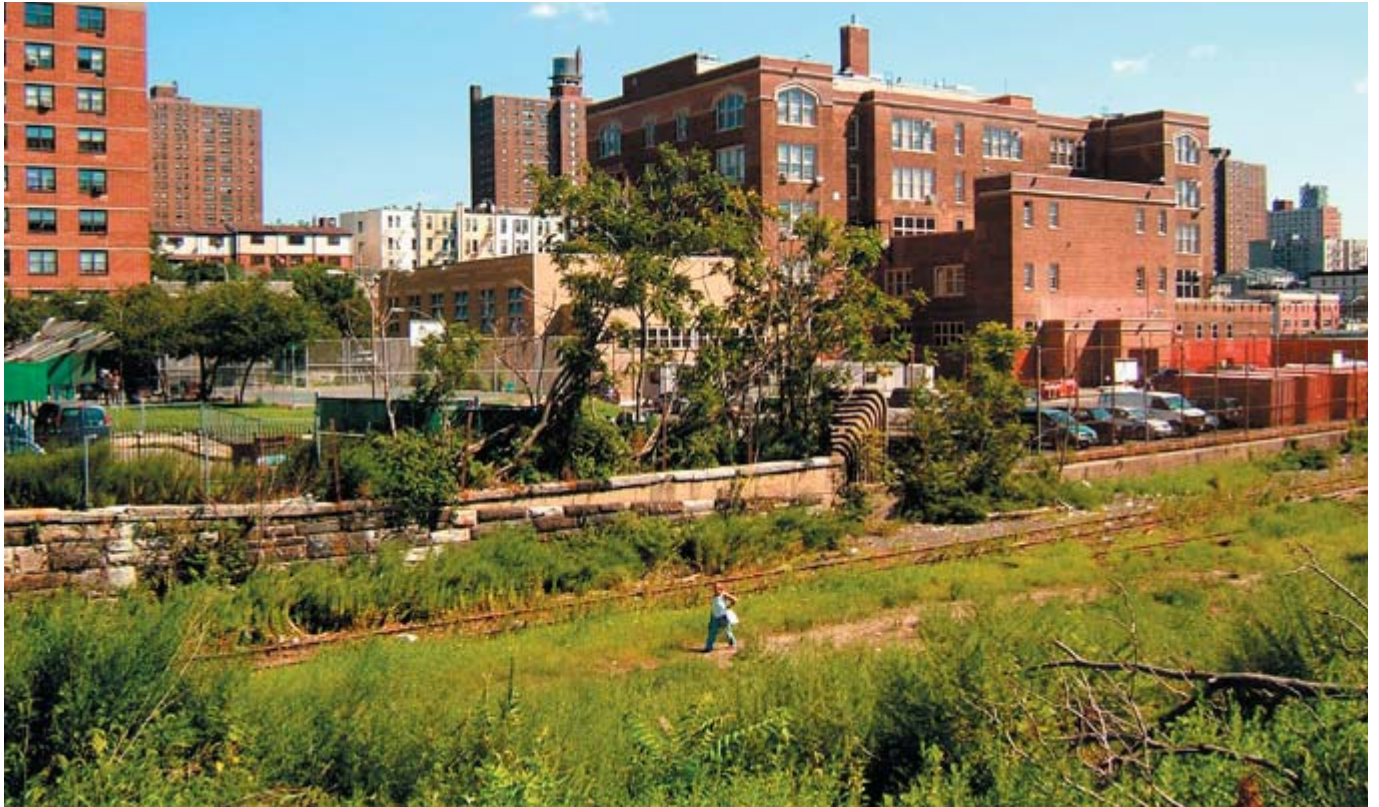




New Housing New York



LEGACY PROJECT
Offering Package

Cover Photo: Midblock on Brook Avenue, looking southeast onto the site



Table of Contents

CHAPTER I	Executive Summary	1
CHAPTER II	Project Description	5
CHAPTER III	Site Description	9
CHAPTER IV	Design and Zoning Analysis	17
CHAPTER V	Finance Model	19
CHAPTER VI	Project Milestones	20



Chapter I: Executive Summary

The New Housing New York (NHNY) Legacy project seeks to set the standard for affordable housing design and development in New York City and beyond. The project emerges from a collaboration of experts in residential architecture, finance, building codes, and development; leaders in these fields have come together to challenge their peers to change the way affordable housing is designed and built.

Throughout its history, New York City has faced some of the most challenging housing problems of any city in the world. In modern times, the city has grown immeasurably, welcoming hundreds of thousands of newcomers each year. In the last decade, New York City has received more immigrants than at any other point in its history. This rapid population growth has created unique issues in housing design and construction that call for forward-thinking, innovative designs and strategic reform.

The Legacy Project grew out of the 2004 NHNY Design Ideas Competition, jointly sponsored by the New York City Council, The New York Chapter of the American Institute of Architects, and the City University of New York. The competition featured three sites representing prototypical contexts for future affordable housing development. It encouraged the national design community to propose new and innovative approaches to affordable housing design in New York City, while addressing statutory limitations, including current zoning and building code regulations. Building on the enthusiasm generated through the competition, the Legacy Project encourages new forms of affordable housing design for a site in the Bronxchester Urban Renewal Area (URA) in the South Bronx.

The NHNY Site is a vacant City-owned lot located just northeast of “The Hub”, the Bronx’s third largest shopping district. The lot is approximately 40,000 square feet, and is located on the southeast corner of Brook Avenue and East 156th Street. The program envisioned for this site is a mixed-use, mixed-income development with residential upper floors serving a varied population and commercial and community uses at street level. Sustainable design, such as the use of high performance, environmentally-appropriate construction materials that improve energy efficiency and the lifespan of the building, will be required. Preference will be given to designs that promote “healthy living” for tenants, such as an exercise room, outdoor space and easily-accessible staircases. The land will be conveyed to the selected project team at a nominal price.

The Legacy Project team will be selected through a two-step process. An open Request for Qualifications (RFQ) will be issued in Summer 2006 by the New Housing New York Legacy Project Steering Committee in conjunction with its partners, the City of New York Department of Housing Preservation and Development (HPD) and the New York Chapter of the American Institute of Architects. Project teams must include architects and developers; entrants will be encouraged to develop further creative collaborations. A ten-member jury will select five finalists from the RFQ submissions, who will be given three months to respond to a full Request for Proposals (RFP). The jury will choose the winning team and design in Fall 2006.

The NHNY Legacy Project gives developers and designers a unique opportunity to propose and build novel affordable housing that will serve as a prototype for future projects.

SNAPSHOT

Site Location	Bronxchester Urban Renewal Area Site: 1A (Block 2359, p/o Lot 3)
Square Footage	Approximately 40,000 square feet
Zoning	Current zoning: M1-1 Required rezoning to residential with commercial overlay and open public space accordingly
Acquisition Price	\$1
Types of Development	Mixed-use: first floor commercial/community space and residential on upper floors
Affordability	Mixed-income
RFQ/RFP Release Date	Summer 2006

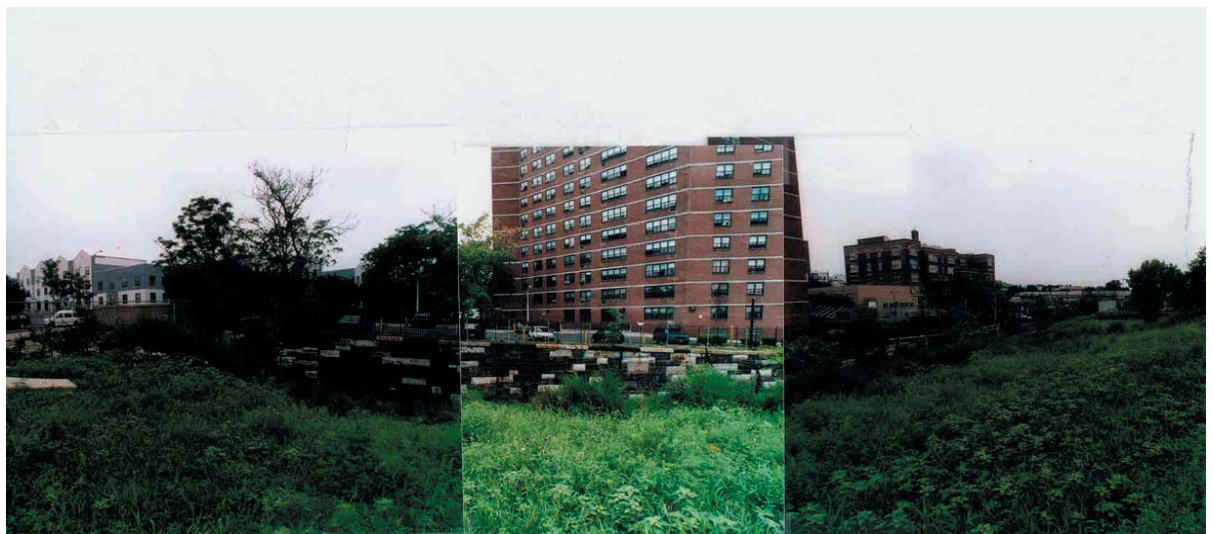
Executive Summary

OPPORTUNITIES

- Neighborhood in the beginning stages of redevelopment with other high-profile projects in development in the immediate area
- Signature project establishing a prototype for future affordable housing endeavors in New York City and beyond
- Nominal land price
- Innovation in affordable housing design
- Public-private initiative with significant benefits for the community and for the design-development team

CONSTRAINTS

- Brownfield site with environmental clean-up requirements
- Site has an irregular shape and significant grade change with immediate adjacency to a legally-abandoned railroad track
- Financing gap, although public subsidy sources will be available
- Balance between profitability, design and construction innovation



Composite photo of site looking northeast from Brook Ave.



Midblock on Brook Ave. looking south from sidewalk onto site



Corner of Brook Ave. & East 156th looking west onto EDC/ Related development lot



Chapter II: Project Description

The NHNY Legacy Project is an outgrowth of the 2004 NHNY Design Ideas Competition, jointly sponsored by the New York Chapter of the American Institute of Architects, the New York City Council, and the City University of New York. The original competition created enthusiasm for innovative design and production of affordable housing that will be put into practice in the NHNY Legacy Project.

NHNY DESIGN IDEAS COMPETITION

The goal of the NHNY competition was to elicit concepts for high design and high quality affordable housing in New York City. Launched in the fall of 2003, the competition featured three sites throughout the city representing prototypical contexts for future affordable housing development: in East Harlem, an infill site within a row of brownstone houses; in Brooklyn, a front block facing 4th Avenue; and, in Queens, an entire block in an underutilized manufacturing zone to be rezoned for low and/or mid-rise construction.

Competitors were invited to propose innovative affordable housing designs for one, two, or all three of the sites presented in the competition. In all three locations the challenge was to design excellent housing that would contribute to the composition and context of the neighborhood. The competition focused on exploring new forms of urban living, and encouraged entrants to design units for different populations, including senior citizens, single parents, people with disabilities and telecommuters. Entrants were also encouraged to integrate other functions into their designs, including retail space or office space where appropriate. Sustainable design was an important consideration, to improve energy efficiency and ecological friendliness in the construction, the lifespan, and the recycling/deconstruction phase of the building.

Winners were announced in February 2004. More information on the competition can be found at: www.aiany.org/NHNY/index3.html.

NHNY STEERING COMMITTEE

The NHNY Steering Committee seeks to translate the enthusiasm generated by the competition into a built project. As the Committee continues to define its mission and next steps, it has attracted and will continue to seek out important contributors to New York's affordable housing community.

The Steering Committee comprises experts in housing design, development, and funding. Key members include Lance Jay Brown, FAIA, of City College; Simone Dennerly, R.A., Holly Leicht, Steven Faicco, R.A., and Judy James Hernandez of the City of New York's Housing Preservation and Development (HPD); David Resnick of the City of New York's Department of Design and Construction (DDC); Rex Curry of City College Architectural Center; Dan Gorczycki of Granite Partners; Susan Wright, AIA, of Gruzen Samton Architects; Helen Ng of Domus A.D.; Tara Siegel, a Rose Fellow at the Pratt Center; Evan Supcoff, AIA, of HNTB Architecture; and Mark Ginsberg, AIA, and Karen Kubey of Curtis + Ginsberg Architects.

NHNY MISSION STATEMENT

With affordable housing in short supply and a dearth of innovative design solutions to New York City's pressing housing production challenges, the NHNY Legacy Project will pursue the development of a built housing prototype that draws inspiration from the New Housing New York Design Ideas Competition, addressing issues of affordability, sustainability, transferability and viability.

We will explore methods to lower lifetime building cost.

We will implement solutions through a demonstration project accompanied by a long-term commitment to post-occupancy analysis and project monitoring.

We will publish and disseminate the results as a service to the community development professions of New York City and beyond.

This shall be done by a group dedicated to the advancement of healthy, livable, affordable housing that seeks to achieve a high level of design excellence.

PROGRAM

In response to community needs, the program envisioned for the NHNY Legacy Project is a mixed-use, mixed-income development with residential upper floors and commercial and community uses at street level.

The housing component should target low-, moderate, and middle-income families desiring either homeownership opportunities (in the form of cooperative or condominium apartments) or rental housing. Proposals that include a minimum of 20% of the units for senior housing will be given preference.

The commercial/community facility component may be rented on the open market, or a charitable sponsor or not-for-profit organization may be found to support activities to enhance the lives of the targeted residential populations.

Proposals should attempt to incorporate street-level uses with a nutrition and fitness theme to promote a healthy neighborhood. Uses with a community benefit component, including but not limited to childcare and job training, will be strongly encouraged.

SELECTION PROCESS

The Legacy Project team will be selected through a two-step process. First, an open Request for Qualifications (RFQ) will be issued in Summer 2006. Project teams must include architects and developers; entrants will be encouraged to develop further creative collaborations. A ten-member jury, composed of City Commissioners, Developers, Architects, and Community Members will select five finalists from among the RFQ submissions. These finalists will be invited to respond to a full Request for Proposals (RFP).

Proposals will be required to meet specific threshold criteria and will be evaluated based on the competitive criteria outlined in the RFP, including innovation in design, economic viability, and sustainability. Teams will be given three months to complete their submissions. The jury will then select a winning team from among the RFP responses.



Chapter III: Site Description

PHYSICAL DESCRIPTION

The NHNY Site (Bronx Block 2359, p/o Lot 3) is a City-owned vacant lot of approximately 40,000 square feet, on the southeast corner of Brook Avenue and East 156th Street. Previously used as a railroad yard, it is designated as Site 1A within the Bronxchester Urban Renewal Area (URA). Most of the site is sloping below grade from the public sidewalk at the northwest corner. A legally-abandoned, single-track railroad line runs along the eastern edge of the property, mostly level with the site. A retaining wall defines the property line of the eastern edge, alongside the railroad track.

The City owns the air rights (Bronxchester URA Site 13) over the abandoned railroad track. The air rights entitle the site's developer to build above 22 feet 6 inches over the existing trackbed with a horizontal clearance of 8 feet 6 inches from the center of the track. The track itself, running northwest into the Melrose Commons URA from Port Morris, is owned by an entity in California that is willing to sell its interest. The project team may consider possible uses if ownership/access could be obtained for the tracks at a future date.



Context map of the South Bronx

Image by Chi Ying Shen

NEIGHBORHOOD CONTEXT

The NHNY Site is northeast of “The Hub,” where Third, Melrose, Willis and Westchester Avenues and 149th Street intersect at Roberto Clemente Plaza. Once the commercial center of the Bronx, “The Hub” was plagued by urban decay and disinvestment beginning in the 1950s. In an effort to encourage redevelopment, the City Planning Commission in 1968 designated this neighborhood as part of the original South Bronx Model Cities Urban Renewal Plan. The site is part of what is now the Bronxchester Urban Renewal Area.

After decades of decline, “The Hub” has begun to experience a revival and is the Bronx’s third largest shopping district, with retail sales exceeded only by Fordham Road and Bay Plaza (2001 report from Bronx Borough President’s Office). East 149th Street, Melrose and 3rd Avenues are vibrant commercial thoroughfares. Rich transportation resources in the area include two subway lines, the Melrose Avenue Metro-North stop and seven bus routes. “The Hub” also enjoys excellent vehicular access from Manhattan via the Willis Avenue, 138th Street and 145th Street Bridges; from Long Island via the Triborough Bridge; and from points north via the Major Deegan Expressway.

Directly east of the primary NHNY Site is St. Mary’s Park, a 1,007-unit NYCHA development. South Bronx High School and its athletic field are southwest and south of the site, respectively. Other uses in the nearby area include a Pet Boys auto-body shop and a juvenile detention center.



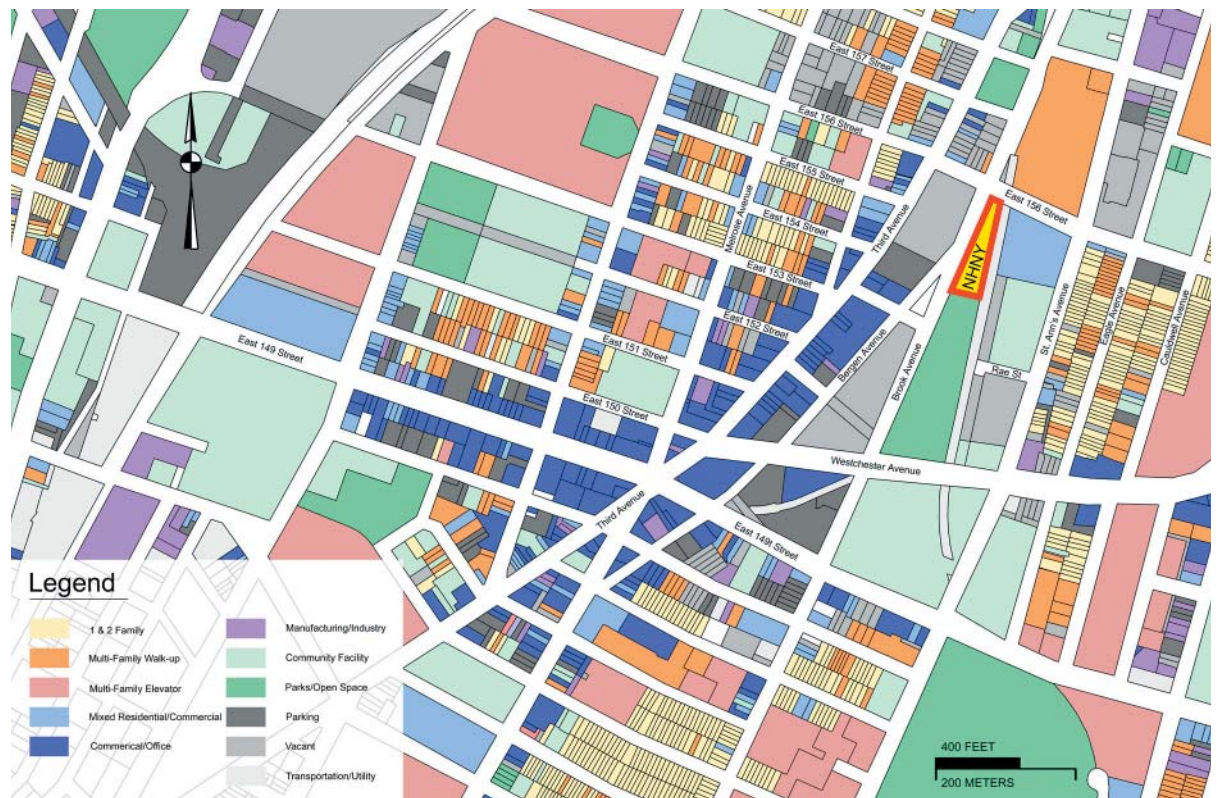
Aerial photo of site

Site Description

In an effort to combat the neighborhood's severe decline, over \$2 billion of public and private money has been invested in housing and other redevelopment activity in the South Bronx since the 1980's, mostly in the Melrose Commons and Yankee Stadium Urban Renewal Areas. In Melrose Commons, northwest of the NHNY Site, hundreds of millions of public and private investment dollars have rejuvenated the community over the last decade. Hundreds of new housing units have been built already. When the Melrose Commons Urban Renewal Plan is completed, over 3,000 units of low, moderate-income and market-rate apartments and townhouses will have been added to the housing stock.

The redevelopment of the NHNY Site will coincide with the revival of the Bronx Hub as a business center as well as a residential neighborhood. In late 2003, Mayor Bloomberg announced the planned development of Bronxchester URA Site 12 with the Related Companies for a 160,000 square feet mixed-use project that will house the Department of Finance's new offices, commercial spaces for national and local retailers, and the renovation of a municipal parking garage. The project is currently under construction.

In addition, on Bronxchester Sites 6, 7A and 7B, the New York City Economic Development Corporation (NYCEDC) has designated Blackacre Capital Management LLC to develop "Plaza at the Hub", a mix of new Class A office space, big-box and local retail, entertainment, a multiplex movie theater and over 200,000 square feet of new housing straddling East 150th Street / Westchester Avenue between Brook and Bergen Avenues.



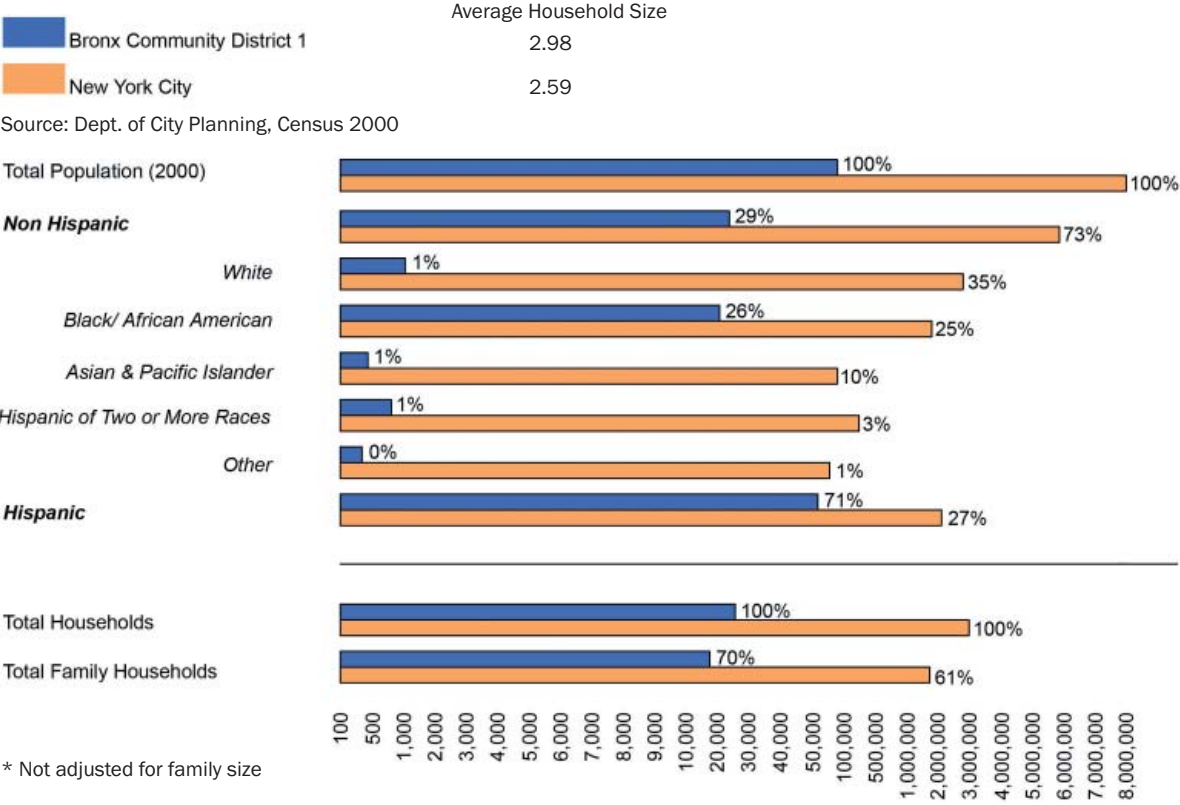
Existing Land Use

Image by Christopher Teeter

A \$26 million capital reconstruction project was recently completed on East 149th Street at Melrose and Third Avenues. New York City Transit is about to begin the preservation and rehabilitation of the Historic Jackson Avenue station, which opened in 1904 and provides service for the No. 2 and No. 5 trains. The work scheduled for this station includes restoration of station houses, balconies, and stairs.

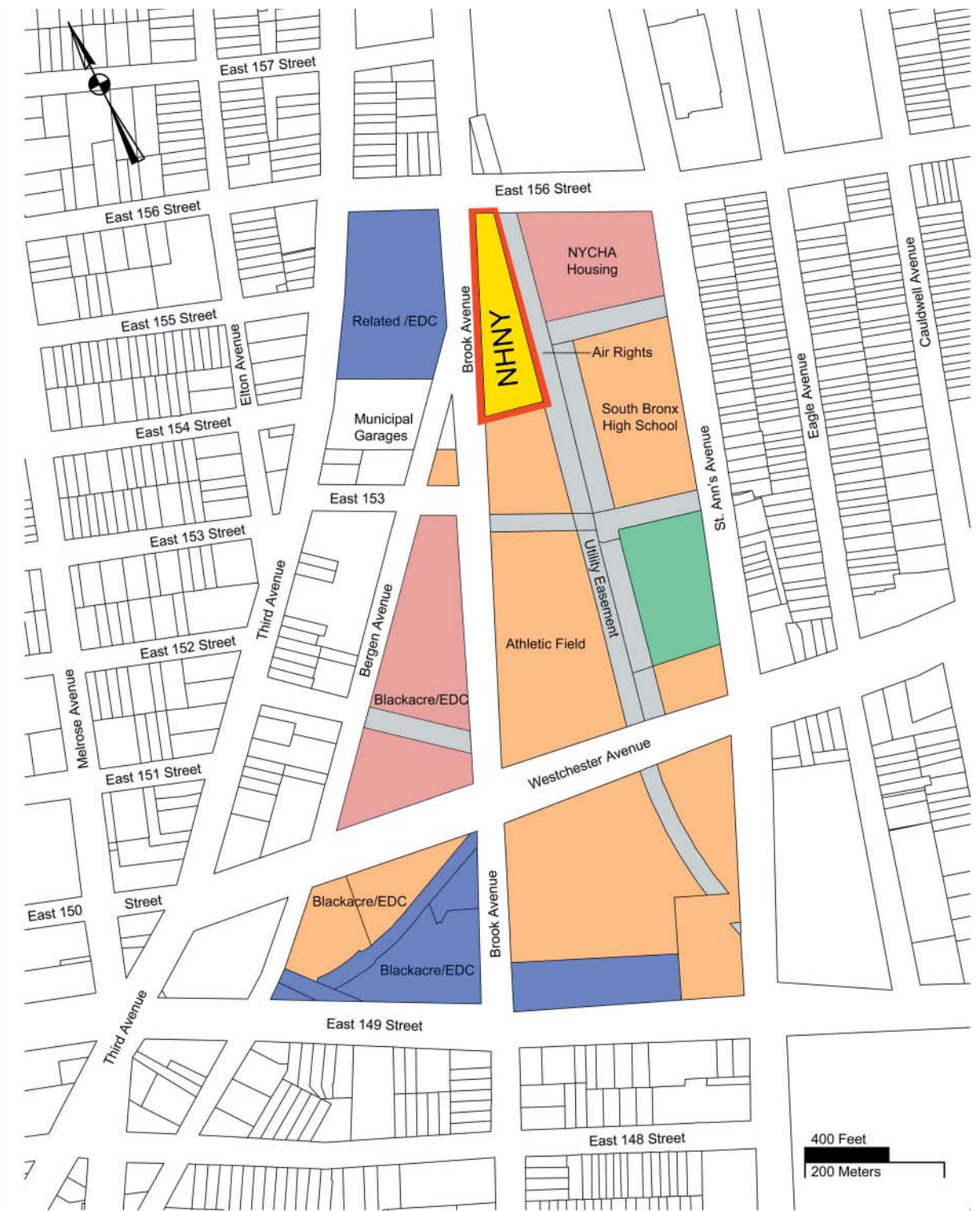
Verizon announced in August 2005 that Bronx customers can now have access to EV-DO, or evolution data-optimized technology, which allows download of documents, photos and video at speeds of 400-700 kilobits per second though the cellular network. The Bronx has been traditionally underserved by broadband access. The availability of this technology will certainly help attract more businesses to the area and contribute to its continued economic development.

DEMOGRAPHICS



Community District 1 (CD 1) is predominantly Hispanic (71%) and African-American (26%), with median household incomes at approximately \$21,870 for a family of four (or 35% AMI). A significant percentage of residents in CD 1 (94%) rents their apartments compared to the rest of the city (70%), presenting an opportunity to increase homeownership in the area. 35% of the residents in CD 1 are 18 years or younger, compared to the city average of 24.2%. According to the 2000 Census, the population in the district increased by 7.2% from 1990. Studies indicate that the population increase is continuing as immigrants and newcomers move into New York City. The rising cost of housing across the New York Metro area has also affected the South Bronx and its residents. Residents in CB1 live in more crowded living conditions than the city average.

Site Description



Bronxchester Urban Renewal Area Plan

Image by Christopher Teeter

Legend

- | | |
|---|--|
| Residential | Access and Utility Easement |
| Public and Semi-Public | Open Space |
| Commercial | NHNY Site |
| Parcel Boundary and Block Line | |

Date of Map November 1995
Note: zoning will change

Studios and one-bedrooms tend to rent below \$1,000 per month, with two-bedrooms renting for \$1,250-\$1,500/month. Sales prices varied from \$105,000 for a junior one-bedroom to \$189,000 for a three-bedroom apartment. According to the 2000 Census, the value of homes in zip code 10455 ranged from \$60,000 to \$399,999, with the largest percentage of homes between \$150,000 and \$174,999. A recent survey of sales transactions within a half mile of the site showed that a high percentage of homes sold in the range of \$120-\$250 per square foot. Newly constructed three-family townhouses in the Melrose Commons Urban Renewal Area are currently selling for over \$500,000 (\$150 per square foot), made affordable to middle- and moderate-income families with public subsidies.

ENVIRONMENTAL ISSUES

Due to the previous use of the NHNY Site as a railroad yard and of the surrounding sites as a gas station, ironworks foundry, pianofortes manufacturer, planning mill, weaving company and refrigerated warehouse, there is potentially significant environmental remediation work to prepare the site for residential use. In 1989, as part of amending the Bronxchester Urban Renewal Plan, the Department of Environmental Protection and the Department of City Planning completed a Final Environmental Impact Statement (FEIS). The report highlighted possible disturbance of prehistoric archaeological resources and possible soil and groundwater contamination with VOCs, PCBs, PAHs and heavy metals. Archaeological fieldwork and field testing is recommended to substantiate the environmental concerns and determine the exact nature and extent of the mitigation procedures required.

HPD has received a \$145,000 Brownfield Assessment Grant from the New York State Department of Environmental Conservation (DEC), which will allow HPD to determine the extent and need for remediation on the NHNY Site.



View of Site looking south from E. 156th Street



Detail of the Site's environmental condition

Site Description

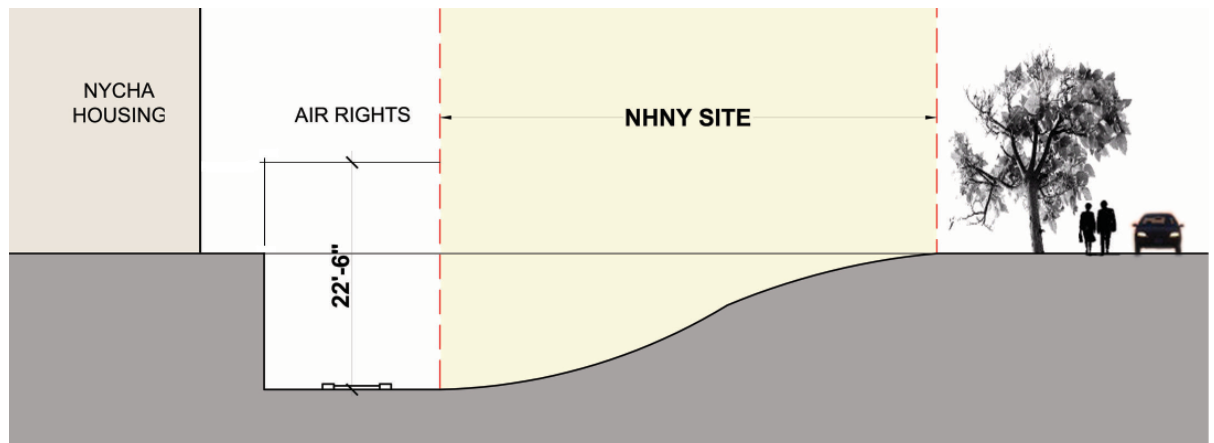
OPPORTUNITIES AND CONSTRAINTS

The NHNY Site sits on the corner of Brook Avenue and East 156th Street with high visibility from three sides and over 400 feet of street frontage along Brook Avenue. The athletic field to the south offers a large expanse of open space next to the site, providing light and air for residents. The large site area also provides an opportunity to plan on-site open space adjacent to the athletic field as an additional amenity for residents and possibly the community.

The railroad track on the eastern edge of the site can be viewed as both a challenge and an opportunity. The tracks themselves can be acquired from a private owner to add additional area to the site right up to the retaining wall of the NYCHA residential project. Alternatively, the air rights over the tracks, Bronxchester URA Site 13, can be utilized and are considered part of the site.

While the grade change from the western street edge to the railroad track can present a construction challenge, it is also an opportunity to build underground parking at a significant reduction in cost. Moreover, the long street frontage provides flexibility for access on- and off-site and the opportunity to plan ground-floor commercial or community spaces fronting Brook Avenue, directly across from the Related Company mixed-use project on Bronxchester URA Site 12 and the Blackacre project on Sites 6 and 7.

These high-profile projects will dramatically change the nature of this stretch of Brook Avenue, providing economic development opportunities to the neighborhood and extending commercial activity from the core Hub area to the southwest. The NHNY Legacy Project team can capitalize on the redevelopment efforts already underway in the South Bronx to build a signature housing project that will serve as a model for innovative affordable housing design nationwide. With full cooperation and support from City agencies and HPD, which will be selling the land for a nominal fee, the Legacy Project strives to find new solutions for housing diverse, mixed-income communities in highly-competitive, land-constrained urban environments. By harnessing the human and economic resources of the design and development communities, the NHNY Steering Committee and Legacy Project contributors aim to maximize the project's impact and to leave a lasting legacy.



Section Diagram

Image by Jennifer Finley





Chapter IV: Zoning Analysis

The site requires a rezoning from M1-1 to a C4-4 district, which HPD will undertake as part of the disposition process to the selected Project Team. The C4-4 district permits an FAR of 3.44 for residential uses. The NHNY Site constraints and the location of the lot adjacent to a large open space, the athletic fields, make a development pursuant to Quality Housing zoning a viable option. The maximum residential FAR under the optional Quality Housing Program is 4.0.

R7 ZONING ENVELOPE MAXIMUM BUILD-OUT PLAN

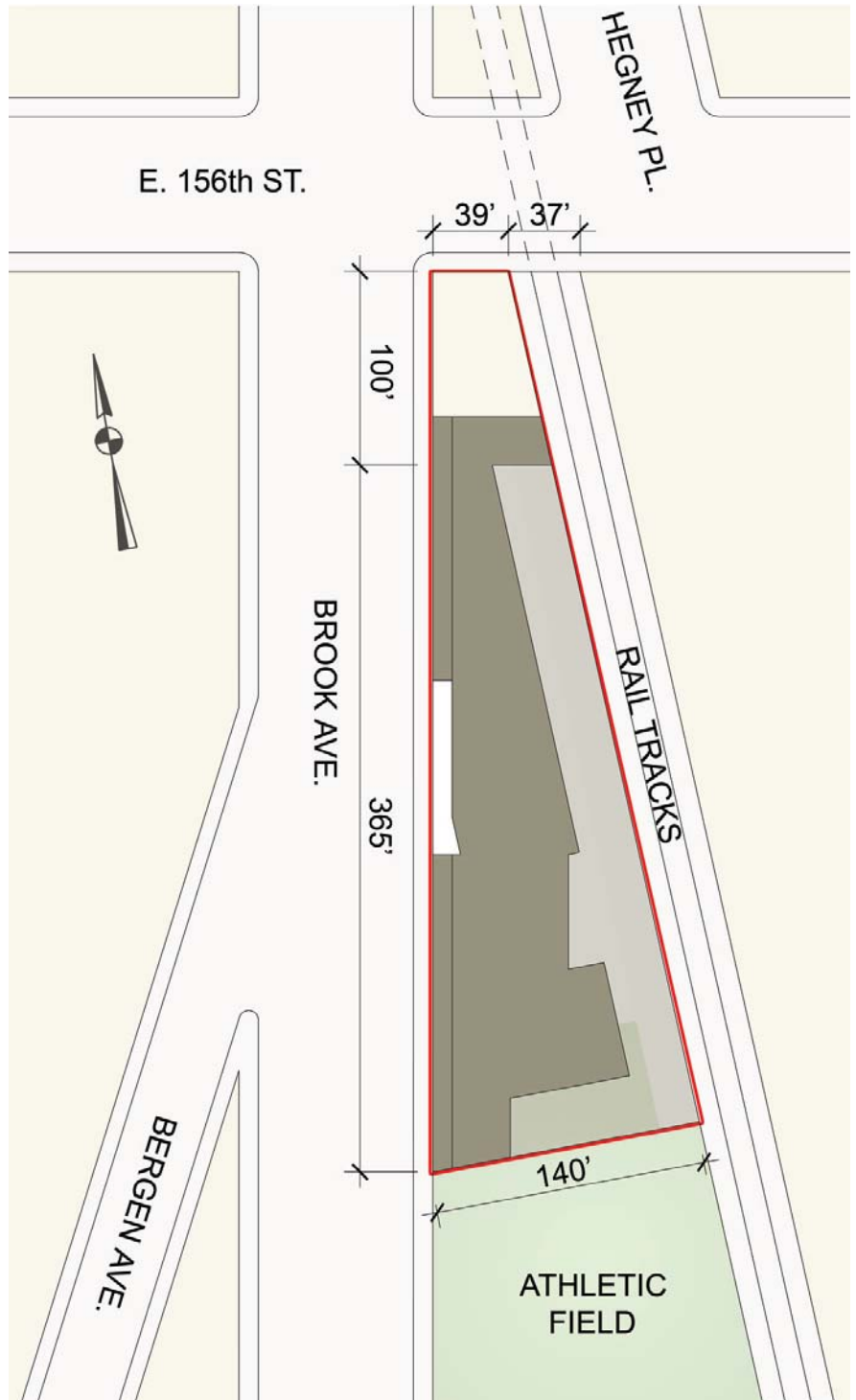


Image by Jennifer Finley

R7 ZONING ENVELOPE

MAXIMUM BUILD-OUT

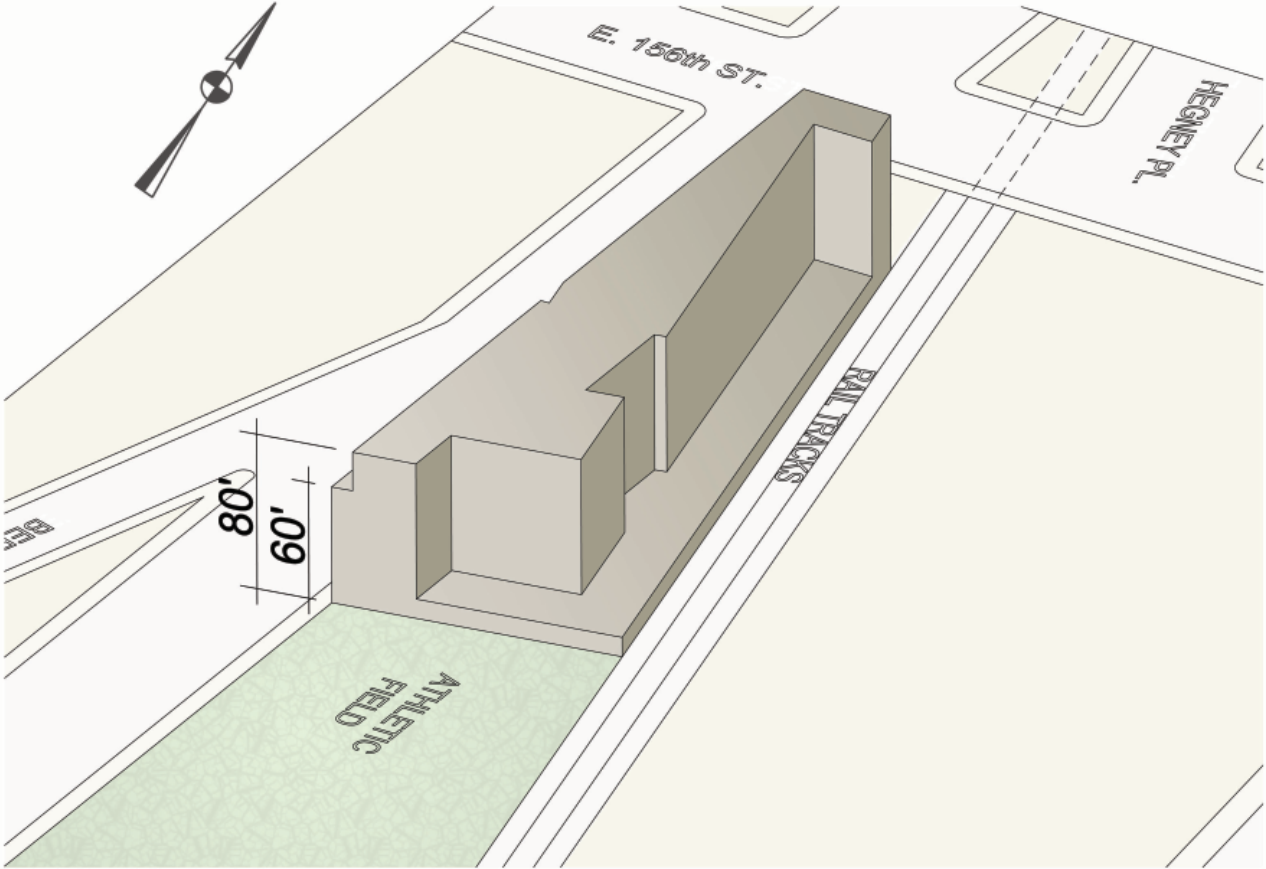


Image by Jennifer Finley

PROPOSED ZONING DISTRICT (C4-4, R7 equivalent) UTILIZING QUALITY HOUSING ZONING	PERMITTED DEVELOPMENT	PROPOSED SOUTH BUILDING	PROPOSED MIDDLE BLDG.	PROPOSED NORTH BLDG.	TOTAL DEVELOPMENT
Maximum Community / C Facility FAR 6.5	263,562 sq.ft.	18,634 sq.ft.	7,742 sq.ft.	9,674 sq.ft.	36,050 sq.ft.
Maximum Commercial FAR 3.4	139,458 sq. ft.				
Maximum Residential FAR 4.0	162,192 sq.ft.	78,080 sq.ft.	34,804 sq.ft.	41,100 sq.ft.	153,984 sq.ft.
Maximum Height	80 feet after setback	60 feet base, 80 feet total height	80 feet total height	80 feet total height	
Proposed Uses	Residential, community facility, and commercial	Home-ownership residential and community facility / C	Residential and community facility / C	Rental residential and community facility / C	
Dwelling Units	219 d.u.s	78 d.u.s	35 d.u.s	41 d.u.s	154 d.u.s
Open Space					17,696 sq.ft.
Parking @ 25%					39 spaces



Chapter V: Financials

The NHNY Legacy Project will be a model for building a mixed-use housing development for a diverse, mixed-income community. The tremendous amount of public and private investments in the neighborhood over the last decade has brought about a sea change in the livability, marketability and development potential for the site.

Based on the current market for housing in the South Bronx, proposals that target a portion of the units to moderate and middle-income families (60%-110% of the AMI) as well as low-income families (less than 60% of the AMI) will be given preference. In addition, development teams are encouraged to include a mix of rental and homeownership units.

Development teams are encouraged to propose creative but realistic methods of obtaining construction and permanent financing for their proposals. Preference will be given to proposals that maximize affordability while minimizing the amount of subsidies required.

The development team's ability to integrate innovative ideas about affordable and healthy urban living, sustainability in design and ecological performance with minimal impact on construction and maintenance and operating costs will be considered.

Project Teams may propose using HPD or HDC subsidy programs. This subsidy can be combined with financing available through the Low Income Housing Tax Credit program. Respondents may also propose funding from the New York State Affordable Housing Corporation (AHC) Program, the New York State Housing Trust Fund (HTF), the federal Section 202 program and the federal HOME Program. HOME funds will only be considered for projects that include homeownership.

HPD and HDC's program term sheets will be available for reference as part of the RFP.



MILESTONES	TIMEFRAME
Offering Package	Fall 2005
Kick-off Event	Summer 2006
RFQ/RFP Release	Summer 2006
Architect/Developer Team Designation	Fall 2006
Predevelopment	FY 07
Project Start Date	FY 08