

FOR CONSIDERATION

May 19, 2022

TO: The Directors

FROM: Hope Knight

SUBJECT: City of New York (Borough of Brooklyn, Kings County) – Clarkson Estates Mixed Use Project (“**Proposed Project**”) (a Land Use Improvement and Residential Project)

REQUEST FOR: Adoption of Findings Pursuant to Section 10 of the New York State Urban Development Corporation Act of 1968, as Amended (the “**UDC Act**”); Authorization to Adopt the Proposed General Project Plan (“**GPP**”); Authorization to Hold a Public Hearing on the GPP, Pursuant to the UDC Act and in Accordance with Other Applicable Law; Determination of No Significant Effect on the Environment under the State Environmental Quality Review Act (“**SEQRA**”); and Authorization to Take All Related Actions

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I. **PROJECT SUMMARY**

A. **Background**

In November 2018, New York State Homes and Community Renewal (“**HCR**”) released a Request for Proposals (“**RFP**”) to develop 8 sites in Central Brooklyn with new affordable housing and ancillary facilities to advance the objectives of the Vital Brooklyn Initiative, a comprehensive community development program that addresses chronic social, economic, and health disparities in Central Brooklyn. One of those sites, located in the Prospect Lefferts Gardens section of Central Brooklyn, was identified in the RFP as “Site L” (the “**Project Site**”) and is the subject the proposed GPP. (The proposed GPP is annexed hereto as **Exhibit 1**)

In July 2020, ESD, in partnership with HCR, selected CAMBA Housing Ventures, Inc. as the conditionally designated developer (the “**Developer**”) for the Proposed Project. The Developer proposes to acquire fee title to the Project Site and to construct new affordable housing, supportive housing, commercial space, and community facility space, as more fully described below in **Section II, “Project Description.”**

The Project Site is located within an area of New York State that has long suffered from disinvestment and marginalization. Residents endure wide economic disparities from unemployment, poverty, high crime rates, and a shortage of affordable and supportive housing.

They also experience measurably higher rates of health problems, which is exacerbated by inadequate access to high quality health care and limited opportunities for active recreation.

The proposed project, which will be known as Clarkson Estates (the “**Proposed Project**”), will seek to ameliorate these disparities by providing approximately 328 new affordable housing units on the Project Site, approximately one-half of which would be permanently supportive housing, together with community facility space and parking. As part of the Vital Brooklyn Initiative, the Proposed Project will leverage State programs and resources to improve individual, family and community wellness and health and provide economic opportunities benefiting the surrounding Central Brooklyn neighborhood.

**B. Project Site**

The Project Site:

- is located at 329 Clarkson Avenue, Brooklyn, New York 11226, and designated on the current Kings County Tax Map as Block 4828, Lot 21;
- is situated in the Prospect Lefferts Gardens neighborhood of Central Brooklyn, in Community District 9, and is bounded by Clarkson Avenue to the south, Nostrand Avenue to the west, Parkside Avenue to the north, and New York Avenue to the east;
- is owned by The Health Science Center at Brooklyn Foundation (the “**Foundation**”), an affiliate of SUNY Downstate Medical Center (“**SUNY Downstate**”);
- comprises a land area of approximately 54,843 square feet (sf); and
- is improved with a 1-story, 120-car capacity, approximately 45,120 gross-square-foot (GSF) parking garage that was constructed in 1958 and currently provides parking, together with 17 exterior spaces and valet parking for 35 additional cars on the site, exclusively to SUNY Downstate staff and students.

**C. ESD Investment**

ESD will not be providing any financing or grants for the Proposed Project. The Developer will pay all ESD third party costs associated with the Proposed Project.

**D. Public Benefits**

The Proposed Project will facilitate the reuse of unused and underutilized property to provide affordable and supportive housing to the significantly underserved Prospect Lefferts Gardens and nearby Crown Heights neighborhoods of Central Brooklyn, and improve wellness and economic opportunities for project residents and the surrounding community. The Proposed Project also will improve economic opportunities in the surrounding Central Brooklyn neighborhoods, some

of which are among the most socioeconomically disadvantaged areas of New York State, and create a community that is centered around open space and provides walkable access to on-site and neighborhood commercial destinations. Furthermore, the Proposed Project will prevent underutilization of the Proposed Project Site, which currently is only used for parking, and provide space for job-creating operations that also will support community health and well-being.

**E. Project Evaluation**

The redevelopment of this underutilized property as a new mixed-use, health-focused community providing affordable and supportive housing will generate long-term economic benefits for the surrounding community and beyond. Real estate initiatives such as this one may not have easily measurable short-term economic benefits, in which case a benefit-cost analysis does not apply.

**F. Project Schedule**

Developer will commence construction of the Proposed Project promptly after the closing, with an anticipated construction of 27 months.

**II. PROJECT DESCRIPTION**

The Proposed Project would:

- demolish the existing 1-story parking garage;
- construct an 9-story, 114-foot tall mixed-use building with a total area of approximately 345,000 GSF, programed to include approximately 298,000 GSF of residential space, approximately 32,000 GSF of community facility space (of which 2,000 GSF may be programmed as commercial space) and approximately 15,000 GSF of enclosed parking with approximately 80 parking spaces;
- provide approximately 328 new units of affordable and supportive housing with a mix of 36% studios (119), 35% 1-bedroom (115 units), 20% 2-bedroom (67 units) and 8% 3-bedroom units (26 units);
- incorporate sustainable design features, including a well-insulated and sealed envelope, low-e glazing, high efficiency mechanical and lighting systems, energy-efficient appliances and LED light fixtures, unitized apartment ventilation system, and water-conserving plumbing fixtures; and
- employ sustainable building standards to achieve a quantifiable level of energy efficiency, and sustainable programing including Passive House standards.

To facilitate the Proposed Project, ESD must override the New York City Zoning Resolution in accordance with the UDC Act and as further discussed in **Section VII** of the attached GPP. As also discussed in **Section VII**, 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.

**III. Summary of Essential Business Terms**

**A. Property Acquisition and Disposition of the Project Site**

Upon completion of the UDC Act processes, Developer will acquire the Project Site from the Foundation.

**B. Restrictive Declaration**

ESD and the Developer will enter into a restrictive declaration that will be recorded against the Project Site and run with title to the land.

**C. Financial Terms**

1. Developer will acquire the fee simple interest in the Project Site for an amount and on payment terms to be negotiated with and agreed to by the Foundation / SUNY Downstate.
2. ESD will have no responsibility for funding the acquisition of the Project Site or the development of the Proposed Project.
3. Developer will fund all out-of-pocket, third-party expenses incurred by ESD in connection with the Proposed Project. Developer has executed a cost agreement (“**Cost Agreement**”) with ESD committing to fund these expenses and has maintained an imprest account with ESD per the Cost Agreement.

Additional business terms can be found in **Section V** of the GPP.

**IV. UDC Act Section 10(c), 10(a) and 10(g) Findings**

Upon the recommendation of ESD staff, the Directors are hereby requested to make the statutory findings for the Proposed Project that are required under the UDC Act and are set forth in the attached Resolution. The justification for each finding is set forth in **Section VI** of GPP (attached hereto as **Exhibit 1**).

**V. Zoning Overrides and Design Guidelines**

In order to implement the Proposed Project, ESD will override the New York City Zoning Resolution and other local laws and requirements, as applicable, in accordance with the UDC

Act and establish Design Guidelines for the Proposed Project that will apply in lieu of zoning and other local laws and requirements. (A copy of the Design Guidelines is included herewith as **Exhibit 2**).

The Design Guidelines will govern development of the Project Site including site planning, land uses and densities, and will establish design controls for the Proposed Project's buildings, open space and other features. 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 of and has provided input on the Proposed Project, pursuant to UDC Act Section 16(1).

#### **VI. Environmental Review**

Pursuant to SEQRA, HCR, as the lead agency for the Proposed Project, has prepared an Environmental Assessment ("**EA**"), which concludes that the Proposed Project will not have any significant adverse environmental impacts. Based on the EA, HCR has issued a Negative Declaration determining that the Proposed Project will not have any significant adverse environmental impacts and as a result, an Environmental Impact Statement need not be prepared. ESD staff reviewed the Negative Declaration and supporting materials and concurs. Therefore, pursuant to SEQRA, ESD staff recommends that the Directors make a Determination of No Significant Effect on the Environment for the Proposed Project.

#### **VII. Non-Discrimination and Contractor and Supplier Diversity**

HCR's Office of Economic Opportunity & Partnership Development will be the central entity managing compliance of goals on this project related to utilization of Minority and Woman-Owned Business Enterprises ("**MWBE**") and Service-Disabled Veteran-Owned Businesses ("**SDVOB**"). Additional details can be found in **Section IX** the GPP.

#### **VIII. Requested Actions**

For all the foregoing reasons, the Directors are requested to: (a) adopt Project findings pursuant to Section 10 of the UDC Act; (b) adopt the proposed GPP; (c) authorize a public hearing on the proposed GPP pursuant to the UDC Act and other applicable law; (d) based on the recommendation of ESD staff, make a Determination of No Significant Effect on the Environment for the Project in accordance with SEQRA; and (e) authorize all related actions.

The public hearing on the proposed GPP, which will be conducted virtually, will inform the public about the Proposed Project and give all interested persons an opportunity to provide comments on the proposed GPP, pursuant to Section 16 of the UDC Act. All substantive comments on the proposed GPP that are received at the public hearing and during the subsequent public comment period will be presented to ESD's Directors for consideration,

and at such time, ESD staff will request that the Directors consider whether the proposed GPP should be affirmed, affirmed with modifications or withdrawn.

**IX. Recommendation**

Based on the foregoing, I recommend approval of the requested actions.

**X. Attachments**

Resolutions

Exhibit 1: Proposed General Project Plan

Exhibit 2: Design Guidelines

May 19, 2021

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – City of New York (Borough of Brooklyn, Kings County) – Clarkson Estates Mixed Use Project (a Land Use Improvement and Residential Project) - Adoption of Findings Pursuant to Section 10 of the New York State Urban Development Corporation Act of 1968, as Amended (the “UDC Act”); Authorization to Adopt the Proposed General Project Plan (“GPP”); Authorization to Hold a Public Hearing on the GPP, Pursuant to the UDC Act and in Accordance with Other Applicable Law; and Authorization to Take All Related Actions

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BE IT RESOLVED, that on the basis of the materials presented at this meeting pertaining to the Clarkson Estates Mixed Use Project (a Land Use Improvement and Residential Project) (the “Project”), a copy of which materials is hereby ordered filed with the records of the Corporation (the “Materials”), the Corporation hereby makes the following findings pursuant to Section 10 of the New York State Urban Development Corporation Act of 1968, as amended (the “UDC Act”):

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

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

UDC Act Section 10(g) Findings

The Project Site currently is used as a parking lot and there are no residential occupants on the site. Consequently, no residential relocation is required under UDC Act Section 10(g); and be it further

RESOLVED, that on the basis of the Materials, and substantially on the terms and conditions described in the Materials, the Corporation does hereby adopt, subject to and pursuant to, and for the purposes of a public hearing required by Section 16 of the UDC Act, and as may be appropriate pursuant to other applicable laws, the proposed General Project Plan (the "GPP") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or her designee(s) may deem appropriate, a copy of which GPP, together with such changes, is hereby ordered filed with the recent record of the Corporation; and be it further

RESOLVED, that the GPP shall not be final until action is taken by the Directors as provided in the UDC Act and until such time as all requirements of the UDC Act and other applicable law in connection therewith have been satisfied; and be it further

RESOLVED, that the President and Chief Executive Officer or her designee be, and each of them hereby is, authorized in the name of and on behalf of the Corporation to take such actions as may be considered necessary or appropriate in connection with the holding of a public hearing on the proposed GPP as required pursuant to Section 16 of the UDC Act and other applicable law, including without limitation, the providing, filing or making available copies of the GPP or a digest thereof and the findings required by Section 10 of the UDC Act relating to the Project, the fixing of a date for such hearing, the publication of a notice relating to the GPP and such hearing in accordance with the UDC Act, other applicable law, and the procedures heretofore approved by the Corporation with respect to similar hearings, and the making of a report or reports to the Directors on such hearings, written comments received, and any local governmental recommendations respecting the GPP; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation, or other officer of the Corporation, or his or her designee be, and each of them hereby is, authorized in the name of and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as may be considered necessary or appropriate in connection with carrying out the public hearing(s) and to effectuate the foregoing resolutions.

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May 19, 2022

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – City of New York (Borough of Brooklyn, Kings County) – Clarkson Estates Mixed Use Project (a Land Use Improvement and Residential Project) - Determination of No Significant Effect on the Environment under the State Environmental Quality Review Act (“SEQRA”)

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RESOLVED, that based on the Materials submitted to the Directors and the recommendation of ESD staff, the Corporation hereby determines, in accordance with the State Environmental Quality Review Act (“SEQRA”), that the proposed Clarkson Estates Mixed Use Project will not have a significant effect on the environment.

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