

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

**UTICA CRESCENT MIXED USE PROJECT
(Land Use Improvement and Residential Project)**

**General Project Plan
Adopted February 17, 2022
Affirmed as Modified May 19, 2022**

I. BACKGROUND

The New York State Urban Development Corporation ("UDC") d/b/a Empire State Development ("ESD") affirms this General Project Plan ("GPP") for the proposed Utica Crescent Mixed Use Project (the "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 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 well-being 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 Project involves the redevelopment of an approximately 62,624 square foot site located at 832 Rutland Road, Brooklyn, New York 11203, and shown on the current Kings County Tax Map as Block 4603, Lot 1 (the "Project Site" or "Site"). The Project Site is currently owned in fee by Kingsbrook Jewish Medical Center ("Kingsbrook"), an affiliate of One Brooklyn Health System ("OBH") and is subject to a mortgage in favor of the Dormitory Authority of the State of New York ("DASNY"). The Project Site is currently used as a surface parking lot by Kingsbrook.

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 K" in the RFP. Among other things, the RFP envisioned that the selected 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 Project. In July 2020, ESD, in partnership with HCR, selected the following entity as the conditionally designated developer (the "Developer") for the Project: VB Crescent JV LLC, a joint venture entity consisting of CB VB Crescent JV LLC (to-be-formed), an affiliate of CB-Emmanuel Realty LLC, and Monadnock VB Crescent JV LLC, an affiliate of Monadnock Development LLC. The Developer, through one or more

single purpose entities, 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 III, “Project Description”**.

II. LOCATION AND DESCRIPTION OF THE PROJECT SITE

The Project Site, consisting of approximately 62,624 square feet of land area that is currently used as a surface parking lot for Kingsbrook, is located at 832 Rutland Road, Brooklyn, New York 11203 in Brooklyn Community District 9 and is identified on the current Kings County Tax Map as Block 4603, Lot 1. The Project Site is bounded by Utica Avenue to the east, East 49th Street to the west, and Rutland Road to the north. Adjacent to the Project Site on the northeast is a one-story gas station; to the east across Utica Avenue are one- to three-story commercial storefronts and a church. Adjacent to the Site south is a church, several retail businesses, and approximately two dozen two-story row homes fronting East 49th Street. To the west of the Site across East 49th Street are the Kingsbrook Jewish Medical Center and the future location of an additional Vital Brooklyn development made up of four combined RFP sites and known as EFGH (a collective reference to HCR’s designation for each constituent parcel in the assemblage). *See Project Site Location Plan* annexed hereto as Exhibit A.

The Project Site is located in the East Flatbush section of Central Brooklyn, a residential neighborhood with a diverse population. The neighborhood is bounded by Empire Boulevard and East New York Avenue on the north, Rogers Avenue on the west, Avenue H on the south, and Rockaway Parkway on the east. The Site is near the East Flatbush/Crown Heights border and situated among the neighborhood’s medical institutions. Most of East Flatbush is comprised of single and multifamily housing, with some commercial and light industrial uses found on the southern border. More than 30% of East Flatbush residents 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 Project will be a 100% affordable housing development serving low-income families and individuals, including elderly/frail seniors, with a focus on promoting the health and well-being of all its residents. The Project will consist of the following elements:

- Two residential towers with a total of approximately 322 affordable housing units, approximately 89 of which will be elderly/frail senior units funded by the NYS Empire State Supportive Housing Initiative (“ESSHI”) program;
- Up to 24,000 gsf of commercial space;
- Up to 19,000 gsf of community facility space anticipated to be operated by a local provider (with total combined commercial and community facility space capped at 38,000 gsf);

¹ Reference: “*State of the City 2020: East Flatbush*” (report by the NYU Furman Center, citing 2019 data).

- Approximately 10,000 sf of space for an OBH ambulatory health center;
- Parking for approximately 314 vehicles, approximately 284 of which will be reserved for use by Kingsbrook employees²;
- Indoor and outdoor amenities for the residents of the building with active, landscaped zones on multiple levels, including approximately 15,685 sf for a landscaped courtyard between the two buildings and approximately 9,422 sf for two landscaped rooftop terraces; and
- Free building-wide wireless internet and implementation of smart building technology.

All of the estimated 322 residential units within the 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.

Unit Summary

Unit Type	# of Units	% of Total Project
Studio	52	16%
1 Bedroom	163	51%
2 Bedroom	84	26%
3 Bedroom	21	7%
Building Superintendent Unit	2	< 1%
Total Units	322	100%

The development program for the Project Site, with the anticipated mix of uses and gross square footage for each use, is shown in the chart below.

Development Program

Unit Type	Quantity
Residential	340,000 gsf (maximum)
Commercial	24,000 gsf (maximum) ³
Medical Facilities & Offices	10,000 gsf (approximate)
Community Facilities	19,000 gsf (maximum) ³
Cellar Parking	27,121 gsf (approximate)
Surface Parking	6,967 gsf (approximate)

² Approximately 64 subsurface parking spaces will be provided below the residential buildings and approximately 25 more spaces will be provided on a surface lot on the southernmost portion of the site fronting Utica Avenue. The remaining balance of up to 225 parking spaces will be created by adding stackers to an existing surface lot (referred to as the Briger Lot) located at the southern end of the Kingsbrook campus bordering Winthrop Street. See **Exhibit A: Project Site Plan** for more details.

³ ESD's Design Guidelines cap the combined amount of commercial and community facility space at 38,000 gsf.

To facilitate the 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 as further discussed in **Section VII** below. As also discussed in **Section VII**, the GPP incorporates design controls (“**Design Guidelines**”) that specify the parameters for permitted development of the Project in lieu of zoning or other local laws or requirements that are inconsistent with the Project.

As further described in **Section VIII** below, the 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 Project will facilitate the reuse of underutilized property to (i) provide affordable housing to the significantly underserved East Flatbush neighborhood of Central Brooklyn, including supportive housing; and (ii) improve wellness and well-being for Utica Crescent residents and the surrounding community. As part of the Vital Brooklyn Initiative, the Project will leverage State programs and resources to improve individual, family and community wellness and health. The Project will also improve economic opportunities in Central Brooklyn, an area of New York State that has long suffered from disinvestment and marginalization that have hindered the well-being 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 Project will help ameliorate these conditions by creating a health-based community that will provide open space and other recreational, wellness, and social service amenities.

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

A. Elimination of Substandard/Insanitary Conditions (as defined by the UDC Act)

Absent a project to use the property, the Project Site would remain largely vacant and 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 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 Utica Avenue will be vibrant and activate the sidewalk along this portion of the Utica Avenue corridor, creating a safe and inviting streetscape where a parking lot surrounded by a barbed wire fence exists today.

B. Economic Development, Job Retention and Creation

The Developer intends to execute a comprehensive local economic development plan, through partnerships with City and community organizations. This includes targeted marketing of employment opportunities; providing 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 Project is expected to directly create approximately 825 construction jobs and 123 permanent jobs.

C. Affordable Housing

The Project will facilitate the construction of affordable and supportive housing in East Flatbush, including housing for senior citizens, in a significantly underserved portion of Central Brooklyn. The 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. Features that Serve Healthcare Workers and the East Flatbush Community

In addition to providing affordable housing, the 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;
- Provide a community-based organization with operating space to provide an array of social and human services to a diverse group of target populations including but not limited to seniors, young adults, and individuals experiencing or at risk of homelessness;
- Provide ground floor space for OBH's ambulatory health center; and
- Preserve parking spaces for Kingsbrook Jewish Hospital employees through cellar parking, surface parking, and stacker parking on the Briger Lot.

E. Open Space and Recreation

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

F. Free Wi-Fi

The Project will provide Wi-Fi in each apartment at no additional charge to tenants, as well as in community rooms and lounges, responding to an unmet need for affordable broadband services and addressing the digital divide.

G. Sustainability

The Project will incorporate a combination of energy efficiency and environmental/community sustainability strategies. The Developer is pursuing Enterprise Green Communities 2020 certification while meeting the standards of the prescriptive

compliance pathway of the U.S. Environmental Protection Agency's ENERGY STAR multifamily high-rise program.

H. Interim construction benefits

Construction of the 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 Project will unlock an underutilized site, create much-needed affordable housing, enable productive uses that will benefit the immediate neighborhood, and boost tax revenues (including sales taxes and employee income taxes) that will support the City and State as a whole.

V. **SUMMARY OF ESSENTIAL BUSINESS TERMS**

A. Property Acquisition and Disposition of the Project Site

Developer, through one or more single purpose entities, will acquire title to the Project Site from Kingsbrook upon mutually agreeable terms, and DASNY will release the Project Site from its mortgage notwithstanding the nonpayment of the underlying debt but in furtherance of the Vital Brooklyn Initiative and the Project. 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 Project. HCR will assist with facilitating public financing to support the Project.

C. Use Restrictions

As part of the Project's 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 reasonable, out-of-pocket, third-party expenses incurred by ESD in connection with the 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 the Cost 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 reasonable, direct and actual documented staff time on the Project, capped at \$1,000,000.

E. Construction

Developer will commence construction of the Project promptly after the financing closing. The Developer will pursue Enterprise Green Communities Certification for the Project.

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 Project, could impair or arrest the sound growth and development of the East Flatbush section of Brooklyn and surrounding areas of the City. The 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 Project will be a comprehensive redevelopment initiative that will clear, re-plan, reconstruct, and rehabilitate the Project Site to create a revitalized new affordable and supportive housing community with appurtenant uses that will serve low-income families and individuals, and elderly/frail seniors, 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 Project will be constructed by a private developer, and the new residential and appurtenant 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 will be 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 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 Community Board specifically cited the need for senior citizen housing accessible to those living on very low fixed incomes and the concern that new market rate housing was catalyzing displacement.

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

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

The Project will be owned in fee by an approved housing development fund company created pursuant to Article XI of the N.Y. Private Housing Finance Law and the N.Y. Not-for-Profit Corporation 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 as a parking lot, and there are no residential occupants on the Site. Consequently, no residential relocation will be required under UDC Act Section 10(g).

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

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

Currently, most of the Project Site is mapped within a R6 medium-density residential zoning district, which allows for a diverse mix of building types. A portion of the Project Site is mapped within a C8-2 general service commercial zoning district, which allows for heavy commercial uses (such as automobile showrooms and repair shops, warehouses, gas stations and car washes) and certain community facilities but does not allow residential housing.

ESD will override local zoning in several respects to facilitate the Project including, but not limited to, maximum allowable base height, building height, yard regulations, residential FAR limits, permitted obstruction restrictions, and prohibitions on residential/commercial space in parts of the Site where existing zoning does not currently accommodate these uses. Additional overrides will facilitate the inclusion of off-street parking. These zoning overrides will foster development of more

affordable housing and other new construction on the Project Site than would be permissible as of right under current zoning. All Project components will be consistent with the 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 will be the New York City Department of Buildings.

VIII. ENVIRONMENTAL REVIEW

Pursuant to SEQRA, HCR, as the SEQRA lead agency for the Project, has prepared an Environmental Assessment ("EA"), which concludes that the Project will 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 issued a Negative Declaration On January 27, 2022 determining that the Project will not have any significant adverse impacts on the environment, and ESD, as an involved agency, made a Determination of No Significant Effect on the Environment at the meeting of the Directors on February 17, 2022. This determination addressed all aspects of the Project and no further environmental review is required.

IX. NON-DISCRIMINATION AND CONTRACTOR AND SUPPLIER DIVERSITY REQUIREMENTS

HCR's Office of Economic Opportunity & Partnership Development will be the central entity managing compliance of goals on the Project related to utilization of Minority and Woman-Owned Business Enterprises ("MWBE") and Service-Disabled Veteran-Owned Businesses ("SDVOB"). The Developer will 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 will 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 will enter into with HCR when the Project is financed.

Attachments

Exhibit A: Project Site Plan