



March 30, 2017

Commissioner Maria Torres-Springer
New York City Department of Housing Preservation and Development
120 Gold Street, 9th Floor
New York, NY 10038

Chair Marisa Lago
New York City Planning Commission
120 Broadway, 31st Floor
New York, NY 10271

Re: Support for Avery Hall Investments (AHI) proposal to modify the Baltic Street Urban Renewal Plan (120 5th Avenue; Block 942, Site 240; Brooklyn, New York) in accordance with the Cooperation Agreement between AHI and the Community Stakeholder Group (signed by the Fifth Avenue Committee on March 16, 2017)

Dear Commissioner Torres-Spring and Chair Lago,

We are writing to express our enthusiastic support for the proposal by Avery Hall Investments (AHI) to modify the Baltic Street Urban Renewal Plan to allow for the redevelopment of 120 5th Avenue in Brooklyn, New York – the location of an existing Key Food supermarket, a 30-year community institution – into a mixed-use development with 165 residential units (25% affordable) and 52,000 square feet of ground floor retail across two buildings, including a 22,000 square foot supermarket.

For more than a year, a committed group of community organizations has engaged in negotiations with AHI to address the concerns articulated by the surrounding neighborhoods of Park Slope, Gowanus, and Boerum Hill in response to this proposal. Our offices have collaborated closely with all parties in this extensive and thorough process. We are pleased to express our enthusiastic support for the Cooperation Agreement between AHI and the Community Stakeholder Group. With this agreement reached, we request that the NYC Department of Housing Preservation and Development (HPD) and the NYC Department of City Planning (DCP) work together to quickly modify the Urban Renewal Plan and the related Land Disposition Agreement in accordance with the agreement.

By way of background, the site located at 120 5th Avenue is governed by the Baltic Street Urban Renewal Plan, which was approved by the City Planning Commission and the Board of Estimate in 1981 and will remain in effect through 2021. The Urban Renewal Plan was the result of years of vigorous community organizing that gave rise to the birth of the Fifth Avenue Committee. It established a set of land use controls that were designed to promote the redevelopment of the area for commercial, residential, and community facility use – including the development of affordable homeownership on Baltic Street, as well as the Key Food supermarket, which has provided access to affordable, healthy food for nearly 35 years and has become a staple for thousands of residents in the surrounding neighborhoods.

In late 2015, community members from Park Slope, Gowanus, and Boerum Hill learned of AHI's original proposal to demolish the existing supermarket and redevelop the site as mixed-income housing under the current zoning (R6A/R6B). At that time, we became aware of a letter (dated July 11, 2015) from HPD to AHI, in which HPD indicated that it was prepared to proceed with changes to the Baltic Street Urban Renewal Plan as long as 25% of the residential units were affordable. That letter made no mention of maintaining a supermarket and left open the possibility that the affordable housing requirements HPD negotiated could be modified contingent upon changes to the now expired 421-a tax abatement program.

Over 400 neighbors attended a public presentation in February 2016 and loudly voiced their concerns that the project, as proposed, did not meet their need for a large, affordable supermarket. They also pushed for more deeply affordable housing units, a commitment that the expiration of 421-a would not result in the development of all-market-rate housing during the term of the Urban Renewal Plan, and collaboration with the developer on traffic, design, and construction issues.

We are very grateful that both Avery Hall Investments and the de Blasio Administration heeded the voice of the community. AHI's willingness to engage in good faith negotiations (which, candidly, took far longer than anyone expected) and to modify their proposal significantly to meet community concerns was truly a model for developers interested in working together with communities, and it set the stage for this week's agreement. We also appreciate the de Blasio Administration's willingness to step back from the initial HPD letter and support the community's goals.

After the February 2016 meeting, a community stakeholder group was convened by the Fifth Avenue Committee, in conjunction with the local elected officials, and engaged in a constructive dialogue with AHI. The participating organizations worked hard to include many diverse points of view, listen to neighbors, research options, and build a strong consensus. In November of 2016, the Community Stakeholder Group publicly presented the results of its negotiations with AHI and neighbors lent their support to the revised proposal, which included:

- **A large, community-oriented supermarket with a long-term lease.** AHI will seek an operator for a supermarket of at least 22,000 square foot with a 20-year lease, and who will meet the standards of New York City's FRESH program. AHI will issue an RFP that includes language drafted by the Community Stakeholder

Group, and will exclude five gourmet grocers from the bidding process. The selected operator will be required to meet with a local non-profit that specializes in job training and job placement, and also hold annual meetings with representatives from the Community Stakeholder Group.

- **Deeply affordable housing.** Of the 25% of the overall units that will be set aside for affordable housing, 10% will be for families earning not more than 40% of the area median income. The remainder will be a mix of 60% (10% of units), 80% (2.5%), and 100% of AMI (2.5%). The term of affordability will be at least 35 years.
- **Collaboration on traffic and feedback on design.** AHI agreed to work with neighbors on traffic safety improvements, offer an opportunity to provide feedback on design, and a process for addressing construction impacts.

A “Cooperation Agreement,” signed last week by a representative of Avery Hall Investments and the Community Stakeholder Group, memorializes the above commitments and makes those commitments incumbent upon the developer’s successors. In order for the project to move forward, the now-expired 421-a tax abatement program must be replaced with a program that is comparable to the legislation previously in effect (if 421-a is not renewed, the developers are not obligated to proceed with the project as described, but they may not proceed with a development that does not comply with these terms during the remaining period of the Urban Renewal Plan).

The project is also contingent on the modification to the Baltic Street Urban Renewal Plan and the amendment to the related Land Disposition Agreement being authorized by the end of this year (2017), and on a regulatory agreement being executed by March 31, 2018.

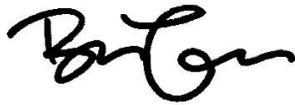
We therefore respectfully request that HPD and DCP work together to expedite amendment of the Baltic Street Urban Renewal Plan and amendment of the corresponding Land Disposition Agreement. We also request that HPD incorporate the basic provisions for the supermarket, to which AHI has agreed – in particular, the minimum square footage, base lease term, and FRESH standards – into the appropriate HPD regulatory documents.

As a first step, we would appreciate the opportunity for our offices, AHI and its representatives, and a representative of the Community Stakeholder Group to meet with you or your staff as soon as possible to review the Cooperation Agreement and to map out the process going forward.

We are grateful for the strong advocacy of this community, the willingness (and patience) of Avery Hall Investments to address community needs in good faith, and the cooperation of New York City agencies to enable this project to proceed expeditiously. This project represents a real win/win/win.

Thank you for your attention to this matter. If you require further information, please contact Catherine Zinnel in the Office of Council Member Lander at 718-499-1090 or czinnel@council.nyc.gov.

Sincerely,



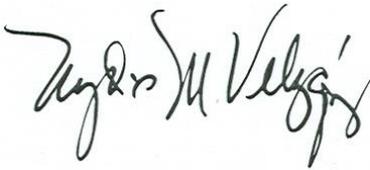
Brad Lander
New York City Council Member



Scott Stringer
New York City Comptroller



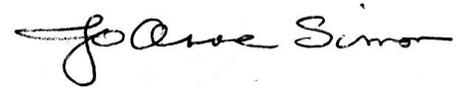
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