



DEPARTMENT OF HOUSING PRESERVATION
AND DEVELOPMENT

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MEMORANDUM OF UNDERSTANDING

OCTOBER 1990

This Memorandum of Understanding is made this 15th day of October 1990, by and between the Cooper Square Community Development Committee and Businessmen's Association (hereinafter referred to as "Cooper Square") and the City of New York acting through its Department of Housing Preservation and Development (hereinafter referred to as "HPD").

Whereas, both Cooper Square and HPD are desirous of negotiating, designing and implementing a revised plan for the Cooper Square Urban Renewal Area for the purpose of guiding the orderly development, redevelopment and rehabilitation of City-owned properties within the renewal area; and

Whereas, both Cooper Square and HPD recognize the increasingly severe shortage of decent, safe, sanitary and permanently affordable housing for persons and families of low and moderate income within the Cooper Square vicinity; and

Whereas, both Cooper Square and HPD recognize that revenue resources in addition to the existing City, State and Federal subsidized housing program funds are required to address this shortage of affordable housing; and

Whereas, both Cooper Square and HPD recognize that a valuable resource that should be utilized to at least partially mitigate this housing shortage is the currently undeveloped and/or under-utilized parcels of City-owned real property within the renewal area; and

Whereas, both Cooper Square and HPD recognize the need to undertake the development of additional lower income housing and that this lower income housing development should take place in the context of a well considered plan that will provide for the following:

1. The comprehensive renewal of the Cooper Square area, according to a community initiated and officially approved plan which includes the preservation or development of all Urban Renewal buildings and land within the Urban Renewal Area and which respects the principles of the 1971 Plan.

2. Decent, safe, sanitary and affordable housing for all legal residential tenants in all buildings of all types within the renewal area.

3. A stable and racially, ethnically, culturally and economically integrated and diverse community.

4. A vital and independent community of arts and cultural institutions functioning as an integral part of the neighborhood.

5. A long term ownership vehicle that provides permanent protection from displacement for current and future residents of City-owned buildings within the Cooper Square Urban Renewal Area; and

Whereas, an independent consulting urban designer/architect has assisted the parties hereto in formulating a mutually agreed upon site configuration and overall design guidelines for the optimal redevelopment of site 2, providing for a mixed-income residential complex with ground floor commercial space, active and passive open space and provision for a major community recreation and cultural facility; and

Whereas, both Cooper Square and HPD are committed to the timely implementation of the comprehensive renewal plan to be mutually agreed upon and cooperatively developed;

Now, therefore, in consideration of the foregoing and of the mutual promises and assurances of the parties contained herein, it is agreed as follows:

The parties hereto will proceed with all deliberate speed to finalize the particulars of and expedite the implementation of a revised urban renewal plan according to the following guidelines:

Development Guidelines

1. The revised plan for the Cooper Square Urban Renewal Area will be arrived at via a cooperative working relationship among Cooper Square and its consultants, the residents of the Urban Renewal Area, and HPD.

2. The plan will include recommended treatment and disposition approaches for all City-owned land and buildings within the Urban Renewal Area, including rehabilitation and new construction as needed, with displacement and demolition kept to the absolute minimum required to achieve the goals of the plan.

3. Planning for long term property disposition will include detailed physical inspections of all City-owned buildings to be rehabilitated to determine the appropriate scope of repairs needed and the associated cost, as well as surveys of those households currently in place in order to ascertain their demographic and socioeconomic characteristics, their rent paying ability and their preferences for available ownership and management models. There are approximately 430 existing units of lower income housing on site.

4. Selected City-owned vacant buildings (including but not limited to 263 and 267 Bowery, 83 2nd Avenue, 13 East 3rd Street, 71 East 4th Street and 13 Stanton Street) will be rehabilitated with City Capital Budget funds as soon as possible in order to provide additional housing resources for those households that require temporary or permanent relocation as part of the overall redevelopment plan. (Note that Cooper Square has already secured funding for the rehabilitation of 13 East 3rd Street from the State Housing Trust Fund and supplemental monies from HPD's Capital Budget funds.)

5. Occupied residential buildings on site (tenements as well as lofts) will be rehabilitated to current code standards. Every effort has and shall continue be made to minimize demolition of sound structures and displacement of tenants during construction.

6. Once rehabilitated (as per #s 4 and 5 above), long term ownership of these buildings will be vested in a nonprofit entity or entities to be organized by Cooper Square subject, however, to the provisions of paragraph 5 under General Requirements. This entity or entities shall be structured so as to (i) secure long term affordability of housing for low and moderate income households; (ii) assure permanent tenure for resident tenants; (iii) provide for maximum tenant participation in setting management policy and in supervising operation of the buildings; (iv) avoid speculation and profiteering in the sale of tenant occupancy rights or in the sale of the subject property, and; (v) allow the commercial leasing of certain spaces within the buildings for commercial or professional purposes.

7. The sale and redevelopment of vacant land within the renewal area (namely sites 1A and 2) will be linked pursuant to a "Large Scale Residential Development Plan".

8. New housing to be built on currently vacant sites will be developed with a minimum of 20% of the units (but in no event less than 115 units) set aside for low- and moderate income

9. Buildings currently occupied by qualified non-profit arts or cultural organizations will be disposed of through sale or 99 year lease to those organizations at a below market rate price to be determined in consideration of their agreement to permanent restrictions on use and resale to be defined in consultation with HPD.

10. A housing management organization will be created by Cooper Square and financed by HPD to carry out three major functions:

- coordination and on-site supervision of the rehabilitation component of the redevelopment plan (including, where necessary, tenant-in-place rehabilitation)

- provision of management services (including rent restructuring) for all occupied site buildings as well as tenant training for long term self-management.

- development of an effective, democratic and self-sufficient modus operandi for discharging its long term responsibilities as the central fiscal and administrative agent for the proposed Cooper Square Mutual Housing Association (MHA). The management organization's staff will provide logistical coordination and managerial support (e.g. direct building management and/or technical assistance services, bulk purchasing of goods and services, etc. as appropriate) to the individual residential buildings within the Urban Renewal Area. These buildings will continue to be operated as lower income housing in perpetuity with appropriate restrictions on occupancy, resale or any other disposition of units or buildings.

11. HPD will commit sufficient funds from its Capital Budget to carry out each component of the overall redevelopment plan as noted below.

Implementation

In order to expedite the implementation of the renewal plan formulated pursuant to the above guidelines, it is agreed that the urban renewal sites will be developed as follows:

Site 1A

1. The site to be made available for the construction of a new residential complex with ground floor commercial space is the irregularly shaped parcel of approximately 59,500 sq.ft. designated as site 1A in the Urban Renewal Plan of 1971.

2. The eight loft buildings located at 255 to 269 Bowery are to be excluded from the new construction site described above and will be treated as part of the residential inventory of the renewal area and be made subject to the same restrictions on ownership, occupancy, and resale as may be imposed in the final

plan and land disposition agreement (LDA) and may be part of the MHA referred to above. Upgrading of these buildings as an integral part of the redevelopment of site 1A is essential, not only to the health and safety of the current tenants, but in order to provide a critical permanent housing resource for the relocation of current loft tenants on site 2.

3. A maximum of eighty percent (80%) of the residential units to be constructed on site 1A will be rented to households of moderate to middle income, not to exceed 180% of the NYC median.

4. A minimum of twenty percent (20%) of the residential units to be constructed on site 1A will be rented to households of lower income, not to exceed 50% of the NYC median.

5. In order to achieve the desired income mix noted in # 3 and 4 above, HPD will provide from its Capital Budget funds whatever capital subsidy may be required to induce a private developer to undertake the development of site 1A according to these and other such terms as may be further defined in an RFP.

6. All dwelling units in the new construction sites will be comparable in size, quality and amenity for all income groups, and should be distributed throughout the development so as to economically integrate the entire site.

7. Cooper Square will be integrally involved in the tenant screening and selection process for renting the lower-income units. Preference will be given to legal residents of the renewal sites, especially those requiring relocation housing.

8. Permanent occupancy of new construction lower-income units by eligible households, both at initial rent-up or sale and at any subsequent rental or sale during the life of the project mortgage or bond financing, will be assured through written, enforceable covenants between the developer and HPD to be filed along with the deed upon transfer of title to the developer.

9. Development of this site will be in compliance with then current and applicable zoning regulations, building codes, etc.

site 2

1. Eighty percent (80%) of the residential units to be constructed on site 2 will be developed and sold as market rate cooperatives or condominiums.

2. A minimum of twenty percent (20%) of the residential units to be constructed on site 2 will be reserved for the Cooper Square MHA and be targeted to households of lower income, not to exceed 80% of the City median.

3. Items 6 through 9 noted above with reference to site 1A will apply to site 2.

4. Design option "G", which was selected by the parties to this agreement from among numerous alternative plans, will serve as the basis for the redevelopment of Site 2. (See attached site plan and design notes.) In order to maximize the impact of the design guidelines developed for Site 2 (and to make best use of the HPD funds used to pay for this design work) these design guidelines will also be applied to site 1A. The redevelopment of Site 2, will include the rehabilitation of certain existing residential buildings, site clearance for new construction, and the provision of the community facility required to replace the Church of All Nations annex.

5. Any legal residential tenants who may be required to vacate their dwellings due to the demolition of their building(s) (as may be necessitated in carrying out this plan) will be guaranteed a comparable permanent relocation unit. To the extent possible, such tenants will be consulted on the design of their relocation units.

6. Implementation of the occupied building rehabilitations on Site 2 will commence as soon as practicable following the City Planning Department's approval of the Large-Scale Residential Development Plan.

Sites 4 and 5

1. Immediately upon signing this agreement, work shall begin on the implementation of the vacant building rehabilitation component of the renewal plan. In order to expedite this process, HPD will use Capital Budget funds already in place to rehabilitate the vacant buildings noted on page two. These will provide approximately 36 relocation apartments for tenants in occupied buildings which are to be redeveloped in subsequent phases of the renewal plan.

2. Work on the occupied buildings will proceed as quickly as possible according to a detailed multi-phased rehabilitation and on-site relocation plan utilizing, to the greatest extent possible, relocation dus created by the new construction and/or vacant building rehab called for in the comprehensive renewal plan. No legal site tenant shall be required to relocate off-site as a consequence of implementing this plan, and any tenants required to temporarily vacate their apartments during construction will have first right of return once the rehabilitation has been completed.

3. The entire occupied building rehabilitation component of the renewal plan will be carried out by a highly experienced general contractor(s) or construction manager(s) under the supervision of Cooper Square and HPD's Division of Alternative Management Programs (DAMP) subject, however, to the provisions of paragraph 5 under General Requirements.

4. During the occupied building rehabilitation phase of the project, Cooper Square (or its designee) will carry out a variety of responsibilities as on-site relocation coordinator, residential building manager, facilitator, trouble-shooter, construction monitor, etc. The actual scope of work as well as the annual cost of these services and the specific means by which they will be defrayed shall be negotiated by the parties to this agreement.

5. Vacant apartments created during construction shall be made available to any legal tenant households (including primary individuals) dislocated by rehabilitation in order to relieve overcrowding and doubling up among current Cooper Square site tenants. Should any "surplus" vacant dwelling units result from the combination of rehabilitation of vacant and occupied buildings on these sites and the permanent relocation of current site tenants to rehabilitated units, first preference in filling these vacant units will be for homeless households referred by HPD and screened by Cooper Square.

General Requirements

1. All substantive aspects of this plan must be committed to (as evidenced by the signing of this agreement) by both parties before any individual rehabilitation or redevelopment site or component of the plan can proceed with construction or disposition.

2. All developers, contractors, construction managers, etc. must be chosen via a competitive process meeting City procurement rules.

3. All public invitations, selection criteria, designs and RFQ/RFP documents used to implement this plan must be approved by both parties, and such approval shall not be unreasonably withheld.

4. Site design and phasing, relocation planning and related negotiations (as required) will commence immediately upon signing of this memo. During these negotiations, HPD shall manage all of its properties within the Urban Renewal Area (occupied and vacant, tenement and loft, residential and commercial) in keeping with the intent of this Memo.

5. HPD shall not enter into any subsequent short or long term lease or other disposition or commitment of any City-owned sites or dwelling units within the area that might conflict with the intent of this Memo or with the goals of the renewal plan. City-owned sites shall be disposed of and conveyed in accordance with this Memo and HPD policy to protect the interests of on-site tenants. Irrespective of the entity to which City-owned buildings shall be conveyed, the provisions of paragraph 6 under Development Guidelines shall apply.

Miscellaneous

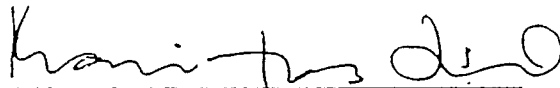
1. This Memorandum of Understanding may not be altered or terminated except by mutual agreement of the parties undersigned.

2. Except as further details of site specific development plans emerge as a result of the implementation of the agreement described in the foregoing document, this Memorandum shall be deemed to contain the entire substance of the agreement and understanding of the parties thereto. Any and all substantive representations, commitments and understandings (whether oral or written) relating to the subject matter of this document are deemed to have been subsumed herein.

In witness whereof, HPD and Cooper Square have executed this Memorandum of Understanding as of the day and year first written above.

Cooper Square
Community Development Committee
and Businessmen's Association

The City of New York
Department of Housing
Preservation and Development

By 

By 

COOPER SQUARE

OCCUPIED CITY-OWNED BUILDINGS TO BE REHABILITATED

| BLOCK | LOT | ADDRESS | SITE |
|-------|---------|--------------------|---------|
| 427 | p.o. 1 | 255 Bowery | Site 1a |
| | p.o. 1 | 257 Bowery | Site 1a |
| | p.o. 1 | 259 Bowery | Site 1a |
| | p.o. 1 | 261 Bowery | Site 1a |
| | p.o. 1 | 263 Bowery | Site 1a |
| | p.o. 1 | 265 Bowery | Site 1a |
| | p.o. 1 | 269 Bowery | Site 1a |
| 456 | p.o. 1 | 11-17 2nd Avenue | Site 2 |
| | p.o. 1 | 7 2nd Avenue | Site 2 |
| 457 | p.o. 1 | 311 Bowery | Site 2 |
| | p.o. 1 | 6-10 E. 1st Street | Site 2 |
| | p.o. 28 | 26 E. 1st Street | Site 2 |
| 459 | p.o. 14 | 5 E. 3rd Street | Site 4 |
| | p.o. 14 | 7 E. 3rd Street | Site 4 |
| | p.o. 14 | 9 E. 3rd Street | Site 4 |
| | p.o. 14 | 27 E. 3rd Street | Site 4 |
| | p.o. 14 | 25 E. 3rd St. | Site 4 |
| | p.o. 14 | 23 E. 3rd St. | Site 4 |
| | p.o. 14 | 21 E. 3rd St. | Site 4 |
| | p.o. 14 | 56 E. 4th St. | Site 4 |
| | p.o. 14 | 58 E. 4th St. | Site 4 |
| | p.o. 14 | 60 E. 4th St. | Site 4 |
| 460 | p.o. 1 | 57 E. 4th St. | Site 4 |
| | p.o. 1 | 59 E. 4th St. | Site 4 |
| | p.o. 1 | 61 E. 4th St. | Site 4 |
| | p.o. 1 | 63 E. 4th St. | Site 4 |
| | p.o. 1 | 65 E. 4th St. | Site 4 |
| | p.o. 1 | 67 E. 4th St. | Site 4 |
| | p.o. 1 | 69 E. 4th St. | Site 4 |
| | p.o. 1 | 73 E. 4th St. | Site 4 |
| | p.o. 1 | 75 E. 4th St. | Site 4 |
| | p.o. 1 | 77 E. 4th St. | Site 4 |

COOPER SQUARE

VACANT CITY-OWNED BUILDINGS TO BE REHABILITATED

| BLOCK | LOT | ADDRESS | SITE |
|-------|--------|--------------------|---------|
| 426 | 22 | 13 Stanton Street | -- |
| 427 | p.o. 1 | 267 Bowery | Site 1a |
| 456 | p.o. 1 | 9 2nd Avenue | Site 2 |
| 459 | p.o.14 | 13 East 3rd Street | Site 4 |
| 460 | p.o. 1 | 71 East 4th Street | Site 4 |
| 460 | 35 | 83 2nd Avenue | Site 4 |