

DRAFT

Read Property Group, LLC
4706 18th Avenue
Brooklyn, NY 11204

December 2, 2013

Council Member Diana Reyna
New York City Council
217 Havemeyer Street, 2nd Floor
Brooklyn, NY 11211

Re: Rheingold Rezoning (the "Project")

Dear Councilmember Reyna,

Read Property Group, LLC ("Read") is pleased to respond to the issues and concerns that were raised by you at the City Council Zoning and Franchises Subcommittee hearing on November 12, 2013, as well as in the community outreach meetings you have organized. Our specific responses are set forth as follows:

Affordable Housing Commitment

We have already committed to provide 24% onsite, permanently affordable units with rents set at an average of 60% of area median income ("AMI").

In response to community concerns about increasing the percentage of affordable units and lowering the percentage of AMI, we have entered into discussions with respected local community organizations.

Read is now proposing to donate Block 3139, Lots 31-36 (approximately 60,000 square feet of gross building floor area, and 150' frontage on Montieth Street), which would allow for the development of 64 low-income senior units, increasing the Project's percentage of affordable units to 26.5%.

The land described above would be donated to a local non-profit community organization. This would allow the organization to develop and manage the site, and as a local non-profit they will have access to deeper subsidies than would otherwise be available to a private developer. This would allow the Developer of the site to make the units available to

applicants earning as low as 30% of AMI, achieving a major goal of the community outreach group organized by your office.

The new senior building described above will have common area for seniors and an area set-aside for community use and social services.

To summarize, by donating the land to a local non-profit organization we will:

- 1) Increase the project's percentage of affordability to 26.5%
- 2) Lower the AMI on the project's units
- 3) Provide Community Facility space
- 4) Provide space for a Social Service Facility

Read also commits that:

- A local non-profit will conduct pre-marketing work to include local community outreach to members, conduct application submittal workshops to identify potential applicants, help applicants submit applications, and prepare selected applicants for interviews.
- A local non-profit will conduct all marketing and related services for the affordable units in the Project in accordance with HPD, HUD and any other federal, state, and city applicable guidelines including but not limited to advertising, distribution and receipt of applications, lottery administration, determination of applicant eligibility, conducting interviews, and rent up of units.

Additional Commitments

In addition to donating the land, Read agrees to:

- Contribute a total of \$150,000 to fund a local non-profit's social service programs.
- Donate \$50,000 to help upgrade local school computer lab.
- Designate a Construction Manager who will be responsible for providing monthly updates to a community representative, organized through the offices of Community Board 4. In addition, Read will establish a complaint hotline so that the community will have the ability to raise concerns during the construction of the project.
- A request from the Homeowner's Association to work with the NYC Department of Sanitation to relocate garbage pick-up and will relocate parking entrances for the buildings on Block 3152 away from the homes on Stanwix Street.
- Additionally, Read has already signed a commitment of \$75,000 to help fund a jobs training program with St. Nicks Alliance to help with construction related jobs for the local community.

The above commitments are in addition to the commitments already made by Read throughout the earlier stages of the ULURP process:

- On-site public open space: We have already committed to execute a restrictive declaration dedicating 17,850 square feet of privately owned land to be used as public open space. We will program that space as described in the attached site plan. The space which will be open to all members of the public and operated in accordance with the regulations of the Parks Department.
- Off-site neighborhood park enhancement: We have committed to provide \$350,000 for improvements to Green Knoll Park. The specifics of the park enhancements will be determined by the Parks Department and the Councilmember?
- Parking: Read has committed to providing a 50% discount on the parking rates for the parking spaces allocated to the affordable units at the development
- Schools: As mitigation for a projected impact to PS 145, Read has also committed to the conversion of under-utilized space within PS 145 to classrooms, or the construction of a 10,000 SF annex on Read's property, should additional classroom space be needed within PS 145 once the project is constructed.

Community Requests that are subject to further review

- Provide additional parking spaces: We have agreed to re-evaluate the number of parking spaces provided in the project after construction has begun - although we are not able to provide additional spaces (beyond the zoning requirement already shown) at this time.
- Green roof / urban farm on Mademoiselle building: Read is interested in this concept and will work with an architectural and design firm to explore it is financially feasible, although we cannot provide a guarantee at this time.
- Provide low-cost space on site for local industrial and retail businesses. We will continue to look at a user- and community-friendly mix of industrial and retail uses, although we are not able to make hard commitment, due to economic limitations and the concessions/commitments referenced above. Our stated objective is neighborhood oriented retail uses.

Community Requests that are not feasible

- Street mapping, utilizing streets as public open space rather than for vehicular traffic: After a thorough environmental review and analysis of our Environmental Impact Statement, we find that this request is not possible because it is outside the "scope" of the ULURP and EIS.

- Increase the size of the public open space: We find that we do not have additional land to commit to open space (see above regarding street mapping). An increase in open space by removing housing is not economically feasible.
- Donate more than the already committed \$350,000 for upgrades to Green Knoll Park: This is not financially feasible, given the commitments agreed to above. However, we were able to building in
- Maintain M3 zoning for Mademoiselle site: We respectfully submit that such zoning is not appropriate for an adjacent residential community - given the heavy industrial uses that are allowed in M3 districts.

The Rheingold Rezoning will transform an under-utilized manufacturing zoned area into a vibrant, mixed-use and mixed-income community. It will create hundreds of new rental housing units and permanently affordable housing units in contextual buildings. We have heard the community's concerns throughout this process and we anticipate that the commitments detailed in this letter will further improve our proposed project and be responsive to the issues raised at our numerous community meetings. Please do not hesitate to contact us should have any questions or concerns about this project.

Sincerely,

Robert Wolf