261 Walton Avenue Rezoning
Bronx Community District 1
March 5, 2020

1. INTRODUCTION

Mott Haven Gateway LLC (the "Applicant") proposes the following actions:

1. zoning map amendment to change an existing Special Mixed-Use District pairing M1-4 and R6A zoning districts ("MX-13") to an R8A/C2-4 zoning district on a portion of Bronx Block 2344 bounded by Walton Avenue, Gerard Avenue, a line 200 feet south of and parallel to East 140th Street, and a line 100 feet north of an parallel to East 138th Street, and to eliminate that portion of the MX-13 special district (consisting of Block 2344, part of Lot 52 and Lot 60) (the "Project Area"); and

2. zoning text amendment of Zoning Resolution ("ZR") Appendix F: Inclusionary Housing Designated Areas and Mandatory Inclusionary Housing ("MIH") Areas for Community District 1, Bronx to establish the Project Area as an MIH Area.

The proposed actions would facilitate the development of 261 Walton Avenue (Block 2344, Lot 60) (the "Development Site") with a new 12-story mixed-use building with approximately 206 dwelling units and approximately 19,000 square feet of commercial (local retail) floor area. The Applicant intends to construct the proposed development as income-restricted housing pursuant to the NYC Housing Preservation and Development ("HPD") Extremely Low & Low-Income Affordability ("ELLA") Program. In addition, 25 percent of the residential floor area in the proposed development, approximately 51 units, would be permanently income-restricted pursuant to the MIH program.

2. BACKGROUND

The Lower Concourse area of the South Bronx has historically been industrial, with a mix of low-rise loft buildings and lower-rise industrial and automotive uses. However, in recent years, there has been a resurgence of housing development in the area, leaving a shortage of available sites to accommodate new housing. In 2009, an approximately 30-block area of the South Bronx, including the Development Site, was rezoned as part of the Lower Concourse Rezoning (C 090303 ZMX, effective May 23, 2009) to allow new residential and mixed-use development. The rezoning mapped a new waterfront park, established a Waterfront Access Plan and Special Harlem River Waterfront District ("SHRWD"), made provisions of the Inclusionary Housing Program applicable in the area, and instituted related actions to create new development opportunities and open space in the underutilized, but transit-rich, Lower Concourse area. As part of the rezoning, the MX-13 was established and mapped at the Development Site, replacing an M1-2 zoning district.

In 2015, Mayor de Blasio, as part of his State of the City address, committed $194 million in capital investment to the Lower Concourse to capitalize on the area's assets and strengthen the existing infrastructure in order to create new jobs and support the development of affordable housing. Infrastructure improvements are expected to include reconstruction of portions of Exterior Street and key intersections, and installation of new water and sewer mains. These improvements are anticipated to be completed in 2022.

More recently, the Lower Concourse North Rezoning (C 170311 ZMX, effective August 29, 2017) rezoned an approximately five-acre City-owned waterfront site to the north of the Development Site. Several actions, including a zoning change from M2-1 to R7-2/C2-5, an MIH text amendment, and a special permit to reduce the accessory off-street parking requirement, were intended to facilitate the development of mixed-use buildings with up to 1,045 dwelling units, up to 500 of which could be affordable.

3. DESCRIPTION OF THE SURROUNDING AREA

Land Uses

The Project Area is located in the Lower Concourse within Bronx Community District 1. Existing land uses within the surrounding area generally consist of commercial and manufacturing/industrial buildings with limited community facility and residential uses. The block on which the Project Area is located consists of a gas station to the south and an air conditioning contractor and furniture supplier to the north. The block to the east of the Project Area across Walton Avenue consists of one- to two-story buildings with industrial supply/service uses and a car wash. To the south of the Project Area across East 138th Street are Deegan Rock, a 0.1 acre park with trees and landscaping, and La Finca del Sur Community Garden, a three-acre urban farm. The block to the west of the Project Area across the Major Deegan Expressway consists of a four-story self-storage facility and surface-level parking. Retail uses are generally located on the ground-floor of multi-family apartment buildings and are concentrated to the north-east of the Project Area along Grand Concourse. Multi-family apartment buildings range from three- to five-stories in height. Community facilities in the surrounding area include Health Opportunities High School and the Community School for Social Justice, both of which are located at 350 Gerard Avenue to the north of the Project Area.

The surrounding area is divided by transportation infrastructure, including the Major Deegan Expressway, an arterial highway to the west of the Project Area across Gerard Avenue, on/off ramps to the Major Deegan to the east of the Project Area on Grand Concourse, and the elevated Metro-North railroad tracks to the east of Grand Concourse. East 138th Street is a major east-west thoroughfare and provides access to Manhattan via the Madison Avenue Bridge. The area is well served by public transportation. The 4 and 5 subway lines at 138th Street and Grand Concourse are located one block east of the Project Area. Several bus lines also serve the Project Area including the Bx1 (Riverdale/Mott Haven) and Bx33 (Port Morris/Harlem).

Existing Zoning

The primary zoning districts mapped within the surrounding area include M1-2, M1-4, M1-4/R6A, M1-4/R7X, M1-4/R8A, C6-2A, and R7-2/C2-4. M1-2 zoning is mapped to the east along the Metro-North railroad tracks and east of Park Avenue. M1-4 is mapped to the south of East 138th Street along the Major Deegan Expressway and expressway on/off ramps. Special Mixed-Use Districts (MX) are mapped to the northwest and southeast of the Project Area along major thoroughfares such as East 149th Street and East 138th Street that are in close proximity to public transportation. A C6-2A district is mapped along Grand Concourse between East 138th Street and East 144th Street. An R7-2/C2-4 district is mapped along the Harlem River waterfront west of the Major Deegan Expressway.

M1-2 and M1-4 Zoning Districts

M1 districts are designated for areas with light industries and often serve as buffers between more intensive M2 or M3 districts and adjacent residential or commercial districts. M1 is a light manufacturing district that allows manufacturing (Use Group 17), general service (Use Group 16), commercial (Use Groups 5-15), and community facility (Use Groups 3 and 4) uses. No residential uses are permitted. In M1-2 and M1-4 districts, the maximum permitted floor area ratio ("FAR") for manufacturing and commercial uses is 2.0 while community facility uses have a maximum permitted FAR of 4.8 and 6.5, respectively. M1-2 districts are generally found in areas located further from transit and one accessory parking space is required for every 300 square feet of floor area. M1-4 districts are generally found close to public transportation and no accessory parking spaces are required. Within the initial setback distance of 20 feet on a narrow street and 15 feet on a wide street, the maximum height permitted in M1-2 and M1-4 districts is 60 feet or four stories, whichever is less. Building height above 60 feet is governed by a sky exposure plane, which has a slope of 2.7 to 1 on narrow streets and 5.6 to 1 on wide streets.

Special Mixed-Use Districts (M1-4/R6A, M1-4/R7X, and M1-4/R8A)

Special Mixed-Use Districts (MX) allow new residential and non-residential uses (commercial, community facility, and light industrial) to be developed and located within the same building, subject to certain limits based on the environmental ratings of materials used within industrial

businesses. While most light industrial uses are permitted in MX districts, others are subject to restrictions. Heavy industrial (Use Group 18) uses are not allowed, except for small breweries. In MX districts, residential uses are generally subject to the bulk controls of the governing residence district. Commercial, community facility and industrial uses are subject to the M1 district bulk controls, except that community facility uses are subject to the residential FAR limits. Special lot coverage, yard and height and setback regulations apply.

C6-2A Zoning District

C6-2A is a contextual commercial zoning district with an R8A residential district equivalent. It allows residential (Use Group 1 and 2), community facility (Use Group 3 and 4), and commercial (Use Groups 5-12) uses. No manufacturing uses are permitted. The maximum permitted FAR is 6.0 for commercial uses, 7.2 FAR for residential uses, and 6.5 FAR for community facility uses. C6-2A zoning permits a maximum base height of 105 feet and a maximum building height of 145 feet. No parking is required within C6-2A districts. Special rules apply for residential-only buildings located in commercial districts and mixed commercial and residential buildings in commercial districts.

R7-2/C2-4 Zoning District

R7-2 is a medium density district that generally allow residential (Use Group 1 and 2) uses and community facility (Use Group 3 and 4) uses at a maximum FAR of 6.5. No commercial or industrial/manufacturing uses are permitted in R7-2 districts. Developments in R7-2 districts can be constructed pursuant to height factor or Quality Housing regulations. Under height factor regulations, building height and setback are governed by a sky exposure plane, which begins 60 feet above the street line. Quality Housing regulations establish a maximum base height of 75 feet before setback and a maximum building height of 85 feet. Within designated Inclusionary Housing areas, an optional floor area bonus is available in exchange for the provision of income-restricted housing. Accessory parking is required for 50 percent of dwelling units and for 15 percent of income-restricted housing units. When mapped within an R7-2 district, the C2-4 commercial overlay district allows a range of local retail and service uses. The maximum commercial FAR permitted in the C2-4 overlay is 2.0. However, in mixed-use buildings containing residential or community facility uses, commercial uses are limited to the ground floor level. The parking requirement varies by commercial use in the proposed C2-4 district, but generally one parking space per 1,000 square feet of floor area is required for general retail or service uses. A waiver available if 40 or fewer spaces are required.

4. DESCRIPTION OF THE PROPOSED PROJECT AREA

The Project Area consists of the Development Site (Block 2344, Lot 60) and an approximately two-foot wide strip of the northern portion of the adjacent tax lot to the south (Block 2344, Lot 52). The Project Area has a total area of approximately 25,414 square feet and is generally bounded by Walton Avenue to the east, Gerard Avenue to the west, a line 200 feet southerly of East 140th Street to the north, and a line 100 feet northerly of East 138th Street to the south. The Project Area is located within an M1-4/R6A zoning district within the MX-13 Special Mixed-Use District and is located within an Inclusionary Housing Designated Area. Walton Avenue is a 60-foot wide one-way street. Gerard Avenue is a 60-foot wide one-way street, which is adjacent to the wide Major Deegan Expressway arterial highway. Lot 52 has an area of approximately 10,500 square feet and is improved with a gas station (0.03 FAR). Vehicular access to Lot 52 is provided by three curb cuts on Walton Avenue, two curb cuts on East 138th Street, and three curb cuts on Gerard Avenue.

5. DESCRIPTION OF THE PROPOSED DEVELOPMENT SITE

The Development Site consists of a single tax lot, Block 2344, Lot 60, which is located at 261 Walton Avenue. The Development Site is an approximately 25,182 square foot, irregularly-shaped lot with approximately 259 feet of frontage on Walton Avenue and 241 feet of frontage on Gerard Avenue. The majority of the Development Site is a through lot, but has a small, approximately 4 x 17 foot interior lot portion of the northwest corner. The Development Site is improved with a six-story 43,820 square foot industrial/factory building (1.74 FAR) built in the 1930s. The building was most recently occupied by a self-storage facility. However self-storage operations ceased due to a fire and the building has been sealed since the fire. Vehicular access to the site is provided by two 20-foot curb cuts on Walton Avenue, and one 15-foot curb cut on Gerard Avenue.

6. DESCRIPTION OF THE PROPOSED DEVELOPMENT

The proposed development is a 12-story mixed residential and commercial building. It contains approximately 181,307 square feet of floor area (7.2 FAR) with approximately 162,307 square feet of residential floor area and 19,000 square feet of commercial (local retail) floor area on the ground-floor. The proposed development contains a total of approximately 206 dwelling units. The proposed development would be set at the street line and rise to a base height of 105 feet (10 stories. The proposed development is set back 15 feet above the base height, and rises to a building height of 124 feet (12 stories). Building entrances to the proposed residential and retail uses are located on Walton Avenue. A new curb cut on Gerard Avenue provides vehicular access to parking on the cellar level.

The proposed development will provide permanently income-restricted housing pursuant to MIH Option 1, with 25 percent of residential floor area (approximately 51 dwelling units) reserved as permanently income-restricted at an average of 60 percent of the Area Median Income ("AMI"). In addition, the Applicant intends to construct the proposed development as income-restricted housing under HPD's ELLA program.[1]

7. ACTIONS NECESSARY TO FACILITATE THE PROJECT

The Applicant proposes the following actions to facilitate the proposed development:

1. a zoning map amendment to rezone the Project Area from an M1-4/R6A zoning district to an R8A/C2-4 zoning district and the elimination of a portion of Special Mixed-Use District MX-13; and
2. a zoning text amendment to establish an MIH Area coterminous with the Project Area.

Zoning Map Amendment

The proposed zoning map amendment would change the existing MX-13 (M1-4/R6A) district to an R8A zoning district with a C2-4 commercial overlay and eliminate the portion the MX-13 district within the Project Area. The MX-13 district allows new residential and non-residential uses (commercial, community facility, and light industrial) to be developed and located within the same building. In M1-4/R6A districts located within a designated Inclusionary Housing area, the maximum permitted FAR is 3.6 for residential uses and 2.0 for manufacturing uses. The proposed R8A zoning district is a contextual, high-density zoning district designed to produce Quality Housing buildings.

Compared to the existing zoning, R8A/C2-4 would not allow manufacturing uses, but would permit commercial (at a maximum 2.0 FAR), residential (at a maximum 7.2 FAR), and community facility (at a maximum 6.5 FAR) uses at equivalent or higher densities to the current MX-13. R8A zoning permits a maximum base height of 105 feet and a maximum building height of 145 feet. Due to the Project Area's location within the Transit Zone, no parking is required for income-restricted housing units. Parking is required for 40 percent of all other housing units. The proposed C2-4 commercial overlay district allows a range of local retail and service uses. The maximum commercial FAR permitted in the C2-4 overlay is 2.0. However, in mixed-use buildings containing residential or community facility uses, commercial uses are limited to the ground floor level. The parking requirement varies by commercial use in the proposed C2-4 district, but generally one parking space per 1,000 square feet of floor area is required for general retail or service uses. A waiver available if 40 or fewer spaces are required.

The proposed R8A/C2-4 zoning district is appropriate as the Project Area is located on a wide street in an area that is well served by public transportation. The zoning district boundaries for the R8A/C2-4 zoning district are proposed to encompass the Development Site to facilitate the proposed development and allow commercial use on both Walton Avenue and Gerard Avenue frontages. The Project Area is located along Gerard Avenue with the Major Deegan Expressway immediately to the west. The combined width of these streets can support the proposed increase

[1] Income-restricted housing units include dwelling units that comply with the definition of an affordable housing unit under one of the Inclusionary Housing Programs, or any other dwelling unit with a legally binding restriction on household income at or below 80 percent of Area Median Income.

in density to the proposed R8A/C2-4. The Project Area is also located one block west of the 4 and 5 subway lines at 138th Street and Grand Concourse, and is served by multiple bus lines.

The proposed R8A/C2-4 zoning district is consistent with existing land use and zoning patterns within the surrounding area. R8A zoning would allow the same bulk and density as the C6-2A district mapped directly to the east along Grand Concourse and consistent with the R7-2/C2-4 district mapped to the west along the Harlem River waterfront. The proposed C2-4 overlay allows ground-floor commercial (local retail) uses that reflect the commercial uses currently permitted in the surrounding MX-13, C6-2A, and R7-2/C2-4 districts. The C2-4 overlay allows the proposed development to provide local retail and services to existing and future residents of the area.

Zoning Text Amendment

The proposed zoning text amendment would establish an MIH Area contiguous with the Project Area. The MIH program requires that permanently income-restricted housing be provided within certain new residential developments, enlargements, and conversions from non-residential to residential use within the mapped MIH Areas.

Within the MIH Area, all housing developments, enlargements, and conversions that meet the criteria set forth in the MIH program must comply with the requirements of MIH Option 1 or Option 2. Option 1 requires 25 percent of the residential floor area to be provided as income-restricted housing to households at an average of 60 percent of AMI with 10 percent at 40 percent AMI, with no unit targeted at a level exceeding 130 percent of AMI. Option 2 requires 30 percent of the residential floor area to be provided as income-restricted housing to households at an average of 80 percent AMI, with no unit targeted at a level exceeding 130 percent of AMI.

The Applicant proposes to map the Project Area with MIH Option 1. Under MIH Option 1, 25 percent of residential floor area in the proposed development would be reserved as income-restricted at an average of 60 percent of AMI with 10 percent at 40 percent AMI and no unit at a level exceeding 130 percent of AMI. The MIH requirement ensures that approximately 51 dwelling units are permanently income-restricted in the proposed development.

The proposed zoning text amendment to designate the rezoning area as an MIH Area is consistent with the policy goals of the City's Housing New York: A Five-Borough, Ten-Year Plan. The proposed development would help provide much-needed income-restricted housing units in an area in which population is growing and there is increased demand for residential uses. According to the Department of City Planning's 2013 report New York City Population Projections by Age/Sex & Borough, the Bronx is anticipated to have the highest rate of growth in the City over the next several decades, estimated at 14 percent from 2010 to 2040.[2] Moreover, according to the U.S. Census Bureau, approximately 48.6 percent of area households in Bronx Community District 1 are rent burdened and there is a strong need for income-restricted housing that reaches a broad range of incomes.[3]

In addition, the Applicant intends to construct the proposed development as income-restricted multi-family rental housing. HPD's ELLA program requires units to be set aside for formerly homeless households and extremely low and very low-income households. The requested public financing would facilitate the creation of approximately 206 income-restricted housing units that reaches low income levels.

8. CONCLUSION

The proposed zoning map amendment and zoning text amendment are consistent with existing land uses and built context within the area surrounding the Project Area, and further the objectives of the City's Housing New York: A Five-Borough, Ten-Year Plan. The proposed actions would

[2] According to the report, "[t]he Bronx is projected to grow from 1,385,000 in 2010 to 1,579,000 in 2040, an increase of 14 percent—the highest level of growth among the city's boroughs. After experiencing growth of 4.5 percent in the 2010-2020 period, growth in the borough is projected to increase to 5 percent in the subsequent decade and then decline to 4 percent between 2030 and 2040." New York City Population Projections by Age/Sex & Borough, 2010–2040, NYC Department of City Planning, December 2013.

[3] Based on American Community Survey 2012-2016 5-Year Estimates for PUMA 3710, which is an approximation of both Bronx Community District 1 and Bronx Community District 2, available at: https://communityprofiles.planning.nyc.gov/bronx/1.

facilitate the development of a 12-story mixed-use building in close proximity to public transportation with approximately 206 income-restricted dwelling units under HPD's ELLA Program, including approximately 51 permanently income-restricted housing units pursuant to the MIH Program. The proposed development would also provide commercial space with local retail and services for the existing and future residents of the area, enlivening the Lower Concourse and creating a more vibrant streetscape.