438 CONCORD AVENUE REZONING
JANUARY 2, 2024

1. INTRODUCTION

BronxCo, LLC (the "Applicant") proposes the following actions (the "Proposed Actions"):

1. A zoning map amendment to change an existing M1-2 zoning district to an M1-4/R7D (MX-18) zoning district on a portion of Bronx Block 2577, bounded by Concord Avenue, East 145th Street, Wales Avenue and a line 150 feet from and parallel to East 145th Street consisting of, Lots p/o 6, 7, 8, 9, 14 and p/o 20 (the "Proposed Project Area") in the Mott Haven neighborhood of Bronx Community District 1; and

2. A zoning text amendment to:

    i. amend Zoning Resolution Section 123-63 (Maximum Floor Area Ratio and Lot Coverage Requirements for Zoning Lots Containing Only Residential Buildings in R6, R7, R8 and R9 Districts) to add R7D to the Special MX-18 – Community District 1, The Bronx row; and

    ii. amend Appendix F of the Zoning Resolution (Inclusionary Housing Designated Areas and Mandatory Inclusionary Housing Areas) for Bronx Community District 1 to designate a Mandatory Inclusionary Housing ("MIH") Area with MIH Options 1 and 2 conterminous with the Proposed Project Area.

The Proposed Actions will facilitate the development of a ten-story plus cellar, mixed-use commercial, light manufacturing, community facility and residential building (the "Proposed Development") at 438 Concord Avenue, Block 2577 Lots 9 and 14, with a floor area of approximately 138,412 square feet. The total floor area for the entire zoning lot including Lots 7, 8, 9 and 14 (the "Proposed Development Site") is approximately 141,852 square feet. The Proposed Development will include approximately 87 dwelling units, including approximately 24 permanently affordable dwelling units pursuant to MIH Option 1.

2. BACKGROUND

The Proposed Project Area was initially mapped with an M1-1 zoning district in 1961 and was rezoned to the current M1-2 zoning district in 1964.

The 431 Concord Rezoning application (200274 ZMX, 200275 ZRX, effective May 27, 2021) rezoned portions of three lots directly across Concord Avenue from the Proposed Project Area (Block 2578, p/o Lots 15, 16 and 18) from an M1-2 zoning district to an R7D zoning district to facilitate the development of an 11-story residential building with approximately 88 dwelling units, including approximately 22 permanently affordable dwelling units. Construction of this development has not yet begun.

3. DESCRIPTION OF SURROUNDING AREA

The Proposed Project Area is located within an M1-2 zoning district within the Mott Haven neighborhood of Bronx Community District 1. The Proposed Project Area is also located within the Transit Zone and a FRESH zone offering zoning and discretionary tax incentives. The area within approximately 600' of the Proposed Project Area (the "Surrounding Area") is generally bounded by 147th Street to the north, Southern Boulevard to the east, St. Mary's Street to the south and Jackson Avenue to the west.

Land Uses

The existing land uses within the Surrounding Area consist of one-, two- and multi-family residences, mixed-use commercial and residential buildings, industrial buildings, and community facilities including several schools.

Located to the south and east of the Proposed Project Area, generally bounded by Jackson Avenue, St. Mary's Street and Southern Boulevard within the M1-2 and M1-3 zoning districts, are two- and three-story, one-, two- and multi-family residential buildings, three- and four-story mixed-use commercial and residential buildings, two- and three-story community facilities, one-story transportation/utility buildings and industrial/manufacturing buildings ranging from one to five stories in height. Several schools are located in this area including the Neighborhood Charter School located at 411 Wales Avenue, the American Dream High School located at 403 Concord Avenue and A House of Beekman located at 390 Jackson Avenue.

Located west of the Proposed Project Area, bounded by East 145th Street and Concord Avenue within the R7D zoning district, an 11-story residential building with approximately 88 dwelling units is proposed. Located further west is St. Mary's Park, the largest park in the South Bronx at 35.3-acres including playgrounds, sports fields, an indoor pool and a recreation center.

Located north of the Proposed Project Area, generally bounded by Jackson Avenue, 147th Street and Southern Boulevard within the R7-1 zoning district, are one-, two- and multi-family buildings ranging from two- to six-stories in height, one-story transportation/utility and industrial/manufacturing buildings and three- to four-story community facilities. Several schools are located in this area including X259 H.E.R.O. (Health, Education, and Research Occupations) High School, Mott Haven Community School and Samuel Gompers Industrial High School all located at 455 Southern Boulevard, and X754 J. M. Rapport School Career Development and the Foreign Language Academy of Global Studies both located at 470 Jackson Avenue.

Mass Transit

The Proposed Project Area is located within the Transit Zone and is well served by public transportation. The East 143rd Street subway station serving the 6 train is located approximately 750 feet southeast of the Proposed Project Area. The Bx17 (Fordham Plaza – Port Morris) and Bx19 (NY Botanical Garden – Riverbank Park) buses run along East 149th Street two blocks north of the Proposed Project Area, and the Bx33 (Port Morris – Harlem) bus runs along East 138th Street six blocks south of the Proposed Project Area.

Zoning

The existing zoning districts mapped within the Surrounding Area include M1-2, M1-3, R6, R7D and R7-1.

The Proposed Project Area is located within an M1-2 zoning district, which extends south to St. Mary's Street and east to Southern Boulevard. An M1-3 zoning district is located further east across Southern Boulevard. M1-2 and M1-3 zoning districts are manufacturing districts which permit nearly all industrial uses, subject to M1 performance standards. Commercial offices and most retail uses are also permitted along with certain community facility uses. The maximum FAR for permitted manufacturing and commercial uses within an M1-2 zoning district is 2.0 and 4.8 for permitted community facility uses. The maximum base height before setback is 60 feet or four stories, whichever is lower, with building height controlled by sky exposure plane. The maximum FAR for permitted manufacturing and commercial uses within an M1-3 zoning district is 5.0 and 6.5 for permitted community facility uses. The maximum base height before setback is 85 feet or six stories, whichever is lower, with building height controlled by sky exposure plane. Off-street parking is required for manufacturing and commercial uses, and for most uses is calculated based on the amount of floor area. In M1-2 and M1-3 zoning districts, the off-street parking requirement may be waived if fewer than fifteen spaces are required.

An R6 zoning district is located southwest of the Proposed Project Area. R6 districts are residential districts which are widely mapped in built-up, medium-density areas. Developers can choose between two sets of bulk regulations. Height factor regulations, introduced in 1961, typically produce small multi-family buildings on small zoning lots and, on larger lots, tall buildings that are set back from the street. Quality Housing regulations, introduced in 1987, typically produce high lot coverage buildings within height limits that often reflect the scale of older, pre-1961 apartment buildings in the neighborhood. Buildings developed pursuant to height factor regulations are often tall buildings set back from the street and surrounded by open space and on-site parking. The FAR in R6 districts range from 0.78 (for a single-story building) to 2.43 at a typical height of 13 stories. There are no height limits for height factor buildings, although they must be set within a sky exposure plane which begins at a height of 60 feet above the street line

and then slopes inward over the zoning lot. Off-street parking is required for 70% of a building's dwelling units or can be waived if five or fewer spaces are required, but requirements are lower for IRHU and are further modified within the Transit Zone or for lots less than 10,000 square feet. The Quality Housing regulations produce lower, high lot coverage buildings set at or near the street line. For buildings on or within 100 feet of a wide street, the maximum FAR is 3.0 or 3.6 with Inclusionary Housing, the maximum base height before setback is 65 feet with a maximum building height of 70 feet (75 feet with QGF) or 115 feet with Inclusionary Housing. On a narrow street, the maximum FAR is 2.2 or 2.42 with Inclusionary Housing, the maximum base height before setback is 45 feet or 65 feet with Inclusionary Housing with a maximum building height of 55 feet or 115 feet with Inclusionary Housing. Off-street parking is required for 50% of a building's dwelling units or can be waived if five or fewer spaces are required, but requirements are lower for IRHU and are further modified within the Transit Zone or for lots less than 10,000 square feet.

An R7-1 zoning district is located directly north of the Proposed Project Area. R7-1 zoning districts are medium-density apartment house districts. The height factor regulations for R7-1 districts encourage lower apartment buildings on smaller zoning lots and, on larger lots, taller buildings with less lot coverage. As an alternative, developers may choose the optional Quality Housing regulations to build lower buildings with greater lot coverage. Height factor buildings are often set back from the street and surrounded by open space and on-site parking. The FAR in R7-1 districts ranges from 0.87 to a high of 3.44. There are no height limits for height factor buildings, although they must be set within a sky exposure plane which begins at a height of 60 feet above the street line and then slopes inward over the zoning lot. Off-street parking is required for 60% of a building's dwelling units or can be waived if five or fewer spaces are required, but requirements are lower for IRHU and are further modified within the Transit Zone or for lots less than 15,000 square feet. The Quality Housing regulations produce lower, high lot coverage buildings set at or near the street line. For buildings on or within 100 feet of a wide street, the maximum FAR is 4.0 or 4.6 with Inclusionary Housing, the maximum base height before setback is 75 feet with a maximum building height of 80 feet (85 feet with QGF) or 135 feet with Inclusionary Housing. On a narrow street, the maximum FAR is 3.44, the maximum base height before setback is 65 feet with a maximum building height of 75 feet. Off-street parking is required for 50% of a building's dwelling units or can be waived if five or fewer spaces are required, but requirements are lower for IRHU and are further modified within the Transit Zone or for lots less than 15,000 square feet.

An R7D zoning district is located directly west of the Proposed Project Area, mapped by the 431 Concord Rezoning application. R7D zoning districts promote new contextual development along transit corridors. Quality Housing bulk regulations produce ten-story buildings set at or near the street line with a maximum FAR of 4.2 or 5.6 with Inclusionary Housing. The maximum base height before setback is 85 feet or 95 feet with Inclusionary Housing with a maximum building height of 100 feet (105 feet with QGF) or 110 feet (115 feet with QGF) with Inclusionary Housing. Off-street parking is required for 50% of a building's dwelling units or can be waived if 15 or fewer spaces are required, but requirements are lower for IRHU and are further modified within the Transit Zone or for lots less than 10,000 square feet.

4. DESCRIPTION OF THE PROPOSED PROJECT AREA

The Proposed Project Area consists of Block 2577, Lots p/o 6, 7, 8, 9, 14 and p/o 20 located on the northern half of Block 2577, bounded by Concord Avenue to the west (a 60' narrow street), East 145th Street to the north (a 60' narrow street) and Wales Avenue to the east (a 65' narrow street). The Proposed Project Area is located within an M1-2 zoning district in the Mott Haven neighborhood of Bronx Community District 1. The Proposed Project Area fronts mapped and built streets with average sidewalk conditions and street trees.

Lot 6 (428 Concord Avenue) is a 2,500-square foot lot improved with an approximately 1,638-square foot (0.66 FAR), two-story, two-family dwelling built in 1901.

Lot 7 (432 Concord Avenue) is controlled by the Applicant and is a 2,500-square foot lot improved with an approximately 1,500-square foot (0.6 FAR), two-story, two-family dwelling built in 1901.

Lot 8 (434 Concord Avenue) is controlled by the Applicant and is a 2,500-square foot lot improved

with an approximately 1,940-square foot (0.68 FAR), two-story, two-family dwelling built in 1901.

Lot 9 (438 Concord Avenue) is controlled by the Applicant and is a 7,758-square foot vacant lot used for private parking.

Lot 14 (435 Wales Avenue) is controlled by the Applicant and is a 12,774-square foot lot improved with an approximately 12,500-square foot (0.98 FAR), one-story auto repair shop built in 1931.

Lot 20 (429 Wales Avenue) is a 5,000-square foot lot improved with an approximately 1,305-square foot (0.26 FAR) two-story, two-family dwelling built in 1901.

5. DESCRIPTION OF THE PROPOSED DEVELOPMENT SITE

Lots 7, 8, 9 and 14 (the "Proposed Development Site") are a single zoning lot (corner lot within 100' of the intersection and through lot beyond 100') controlled by the Applicant with approximately 128 feet of frontage on both Concord and Wales Avenues, approximately 200 feet of frontage on East 145th Street, and a total lot area of approximately 25,548 square feet. However, the Proposed Development is limited to Lots 9 and 14.

6. THE PROPOSED DEVELOPMENT

The Proposed Development at the Proposed Development Site is a new ten-story plus cellar, mixed-use commercial, light manufacturing, community facility and residential building on Lots 9 and 14. The total floor area for the entire zoning lot (Lots 7, 8, 9 and 14) will be approximately 141,852 square feet (5.5 FAR).

The Proposed Development on Lots 9 and 14 will have a floor area of approximately 138,412 zoning square feet (174,687 gross square feet) consisting of:

- Approximately 7,602 zoning square feet of light manufacturing floor area in the cellar, first and second floors. Potential tenants include, but are not limited to, pottery, glass, tradesman or furniture workshops, maker, artist or 3D printing spaces, wholesalers or a brewery.
- Approximately 3,301 zoning square feet of commercial retail floor area in the cellar and first floor for the potential use as a supermarket.
- Approximately 25,597 zoning square feet of commercial office floor area in the cellar, first, second and third floors. Potential tenants include a recording studio and other professional offices.
- Approximately 6,634 zoning square feet of community facility floor area on the first and second floors for the potential use as a health care facility.
- Approximately 95,279 zoning square feet of residential floor area on the first floor and fourth through tenth floors.
    - 87 dwelling units.
        - 6 studios, 12 1-bedroom, 47 2-bedroom, 18 3-bedroom, 4 4-bedroom
    - 24 permanently affordable units pursuant to MIH Option 1 which requires 25% of residential floor area to be set aside for affordable housing units for residents with incomes averaging 60% AMI, with a minimum of 10% of housing to be affordable at 40% AMI.
        - 2 studios, 6 1-bedroom, 12 2-bedroom, 3 3-bedrrom, 1 4-bedroom
- Two loading berths accessed by a curb cut on 145th Street.
- 43 parking spaces in the cellar accessed by a curb cut on Concord Avenue and 52 bicycle parking spaces on the ground floor.
- Recreation, greenhouse and urban faming space on the roof.

The Proposed Development will have a base height of nine stories/92'-0", will setback at the tenth floor 15'-0" on all three sides, and will rise to a total height of 111'-0".

7. ACTIONS NECESSARY TO FACILITATE THE PROJECT

The actions necessary to facilitate the project are: (1) a Zoning Map Amendment to rezone the Proposed Project Area from the existing M1-2 zoning district to an M1-4/R7D (MX-18) zoning district, and (2) a Zoning Text Amendment to: (i) amend Zoning Resolution Section 123-63 to add R7D to the Special MX-18 – Community District 1, The Bronx row, and (ii) amend Zoning Resolution Appendix F to designate an MIH Area with MIH Options 1 and 2 conterminous with the Proposed Project Area.

Zoning Map Amendment to an M1-4/R7D (MX-18) zoning district

The proposed zoning map amendment would allow for the production of new housing on underutilized land in close proximity to transit. This portion of Mott Haven has been zoned for light manufacturing since 1961 with East 145th Street as the northern zoning boundary between residential use to the north and manufacturing to the south. Since the mid-1990's, zoning changes have reflected the area's changing uses with rezonings to R6, R7X, M2-4/R7X (MX-18) and recently R7D.

R7D zoning districts promote new contextual development along transit corridors. Quality Housing bulk regulations produce ten-story buildings set at or near the street line with a maximum FAR of 4.2 for residential or community facility uses or 5.6 with Inclusionary Housing. The maximum base height before setback is 85 feet or 95 feet with Inclusionary Housing with a maximum building height of 100 feet (105 feet with QGF) or 110 feet (115 feet with QGF) with Inclusionary Housing. Off-street parking is required for 50% of a building's dwelling units or can be waived if 15 or fewer spaces are required, but requirements are lower for IRHU and are further modified within the Transit Zone or for lots less than 10,000 square feet.

M1-4 zoning districts are light manufacturing districts which permit nearly all industrial uses, subject to M1 performance standards. Commercial offices and most retail uses are also permitted along with certain community facility uses. The maximum FAR for permitted manufacturing and commercial uses within an M1-4 zoning district is 2.0 and no parking is required.

The proposed M1-4/R7D (MX-18) zoning district is appropriate as the Proposed Development Site is an ideal place to create needed residential development, including affordable housing. The Proposed Development Site is located directly across East 145th Street from an R7-1 zoning district and directly across Concord Avenue from an R7D zoning district. While the proposed M1-4 zoning district will maintain the ability to have light manufacturing uses within the Proposed Project Area, which uses are currently contemplated as, but not limited to, pottery, glass, tradesman or furniture workshops, maker, artist or 3D printing spaces, wholesalers or a brewery. Importantly, the Proposed Development will include commercial, community facility and light manufacturing uses which will serve to diversify the economy of the South Bronx, revitalize and preserve urban industrial land, supply unique products and retail experiences, and provide a sense of place and local character.

Zoning Text Amendment to Zoning Resolution Section 123-63

The proposed zoning text amendment is necessary to add R7D to the Special MX-18 – Community District 1, The Bronx row, in order to effectuate the proposed M1-4/R7D (MX-18) zoning district.

Zoning Text Amendment to Zoning Resolution Appendix F

The proposed zoning text amendment would provide the Mott Haven neighborhood with new permanently affordable housing, which would support the City's effort to increase the overall supply of affordable housing.

The shortage of affordable housing and housing in general has been highlighted by the current administration as an urgent issue that needs addressing. *Housing New York 2.0* is an extension of the City's comprehensive housing development policy (*Housing New York: A Five-Borough, Ten-Year Plan*) that includes a primary goal of building or preserving 200,000 units of high-quality affordable housing by 2022 and 300,000 homes by 2026. *Housing New York 2.0* was developed in conjunction with the New York City Department of Housing and Preservation (HPD) to create housing opportunities for New Yorkers with a range of incomes, while fostering vibrant and diverse neighborhoods. Framed by the policy goals and objectives in *Housing New York*, the City Council adopted an amendment to the ZR to establish the Mandatory Inclusionary Housing

program, which requires areas rezoned for residential growth to include a minimum of 20 to 30 percent of dwelling units be affordable in new developments.

The proposed zoning text amendment to ZR Appendix F will support the policies and goals of *Housing New York 2.0* by creating permanently affordable dwelling units within the Proposed Development, will permit the applicant to develop the Proposed Development Site in accordance with the MIH program and will ensure that any future residential development at the Proposed Project Area will address the need for housing to serve a broad range of the City's diverse incomes. The applicant proposes mapping MIH Options 1 and 2 within the Proposed Project Area to provide maximum flexibility for non-applicant-controlled sites. Option 1 requires 25% of residential floor area to be set aside for affordable housing units for residents with incomes averaging 60% AMI, with a minimum of 10% of housing to be affordable at 40% AMI. Option 2 requires 30% of residential floor area to be set aside for affordable housing units for residents with incomes averaging 80% AMI. The Proposed Development currently contemplates providing approximately 24 affordable housing units pursuant to Option 1 of the MIH program. The applicant will seek additional input from Bronx Community Board 1 and the local City Council Member regarding the level of affordability for the Proposed Development.

8. CONCLUSION

The Applicant proposes a zoning map amendment to rezone the Proposed Project Area from an M1-2 zoning district to an M1-4/R7D (MX-18) zoning district. The proposed zoning map amendment will facilitate the development of a new ten-story, mixed-use commercial, light manufacturing, community facility and residential building with 87 dwelling units. In order to effectuate the proposed MX district, the Applicant proposes a zoning text amendment to amend Zoning Resolution Section 123-63 to add R7D to the Special MX-18 – Community District 1, The Bronx row. The Applicant also proposes a zoning text amendment to amend Zoning Resolution Appendix F for Bronx Community District 1, to designate the Proposed Project Area as an MIH Area. The proposed zoning text amendment of Appendix F will facilitate the development of permanently affordable housing units within the Proposed Development pursuant to the City's MIH program, thereby ensuring that it addresses the need for housing to serve a broad range of the City's diverse needs and incomes.