



Pratt Center
for Community Development

Development Opportunity and Historic Preservation in Cypress Hills, Brooklyn

Pratt Center Planning Staff
& Graduate Students in Pratt Institute's
Graduate Center for Planning and the Environment

December 17, 2007

Community Planning Project for Cypress Hills Local Development Corporation



Client:

Cypress Hills Local Development Corporation (CHLDC)

Staff:

- Planners from Pratt Center for Community Development
- Land Use & Historic Preservation Graduate Studio at Pratt Institute
- Pratt Institute Faculty

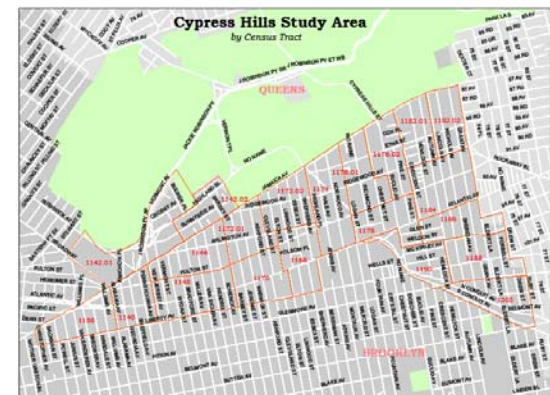


Community Planning Project for Cypress Hills Local Development Corporation



Project Goals:

1. Provide CHLDC with “hands-on” resources for lining up their 3-5 year community development pipeline
2. Analyze foreclosures and lis pendens data; determine if there are early warning signs
3. Examine zoning to identify underbuilt areas and/or areas suitable for up-zoning to create opportunities for housing development
4. Identify strategies for addressing Illegal Conversions
5. Examine neighborhood character and historic resources; suggest strategies for protecting them in light of need for development

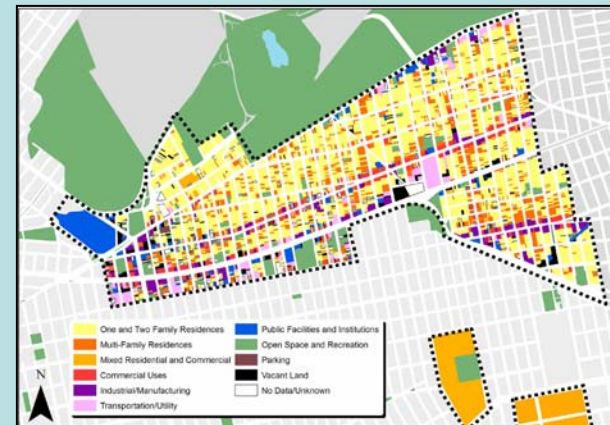


Community Planning Project for Cypress Hills Local Development Corporation



Tasks:

1. Studies: Demographics, Physical Fabric, Zoning, Housing Needs, Historic/Cultural Resources – by Graduate Studio, Spring 2007
2. Community Outreach – by Graduate Studio, Spring 2007
3. Vacancy Survey – by Pratt Center staff and interns, Summer 2007
4. Foreclosures Study – by Pratt Center staff and interns, Summer 2007
5. Land Use and Zoning Analysis of Atlantic Avenue – by Pratt Center staff, Fall 2007
6. Final Analysis and Compilation of Final Report Documents – by Pratt Center staff, Fall 2007

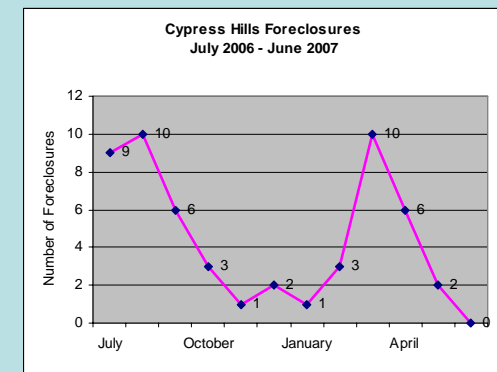
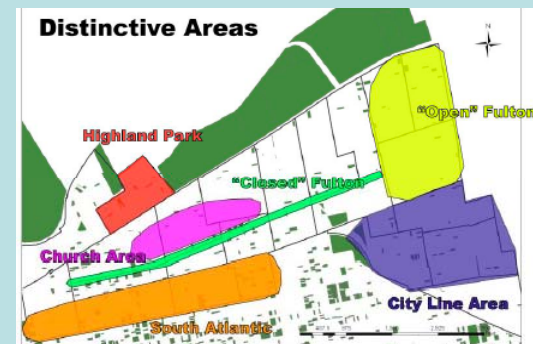


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Products:

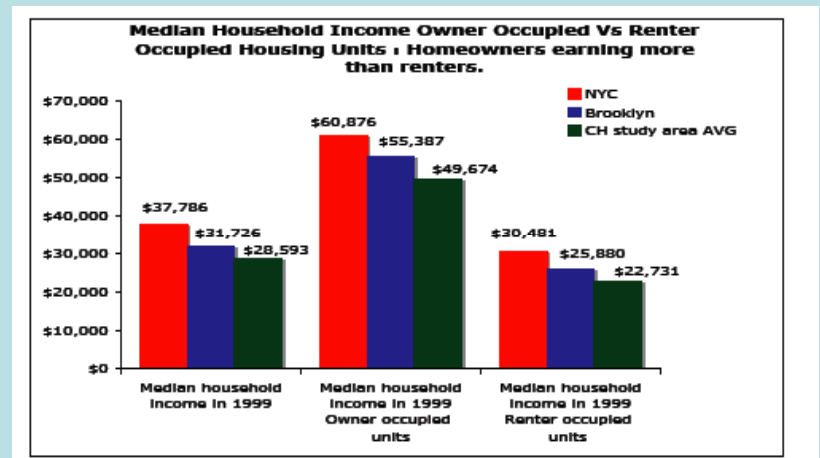
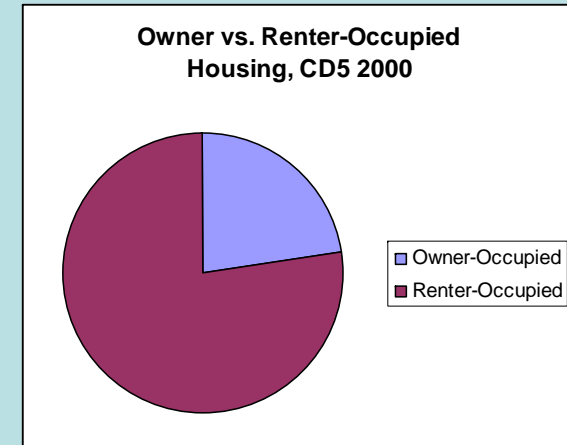
1. Context Analysis
2. Housing Affordability & Foreclosures Report
3. Development Opportunities Analysis
 - a.) Vacant Sites Report: Recommended Sites for Development
 - b.) Vacant Sites Survey Methodology & Training for CHLDC
 - c.) Potential Rezoning of Atlantic Avenue: Analysis and Recommendations
4. Placemaking & Historic Preservation Recommendations
5. Illegal Conversions Report & Suggested Strategies
6. Final Report Encompassing Context Analysis, Recommendations and Products



Context Analysis

Context: Demographics

- 49% of population is African-American, 37% is Hispanic, 5% is white; immigrants from many countries, including the Caribbean, Korea, India, Pakistan, and China
- In 2000, 32.2% of people in CD5 were on some type of public assistance (including Social Security and Medicaid); by 2003, the percentage rose to 47.8%
- 77% of population are apartment renters who earn half as much as homeowners in the community and less than renters elsewhere in Brooklyn

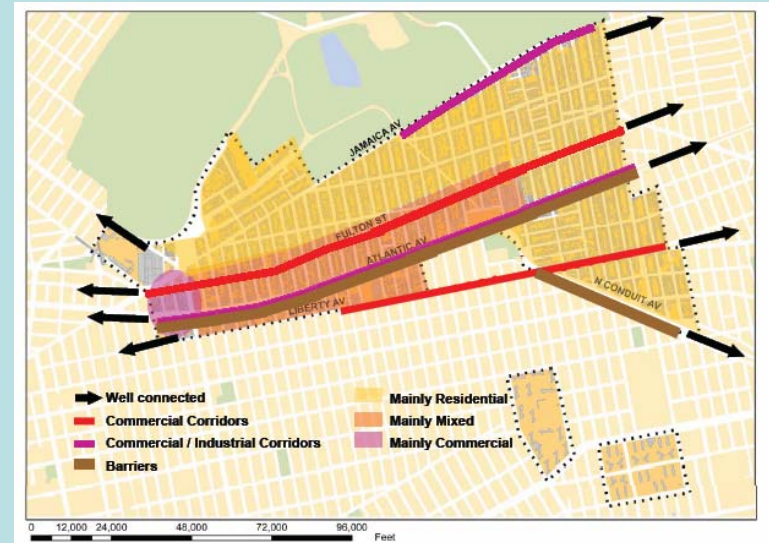


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Context: Physical Fabric

- Low-scale character, quiet, pleasant blocks, generally good building conditions
- East-west transportation axes define the area, not necessarily in a positive way (encourage “passing through” feeling)
- Commercial corridors are Fulton Street and Atlantic Avenue; Atlantic is a physical and mental barrier
- North of Atlantic Avenue: historic small scale housing, dense population. South of Atlantic Avenue: new construction and vacant sites
- Highland Park is an important asset, but the neighborhood lacks other public open space

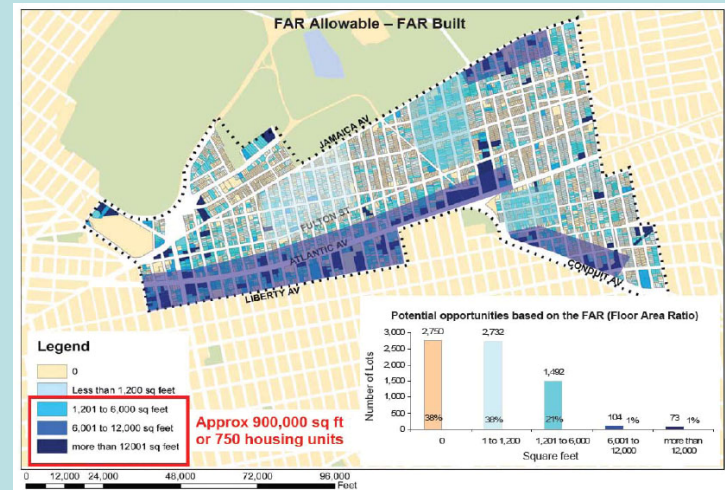
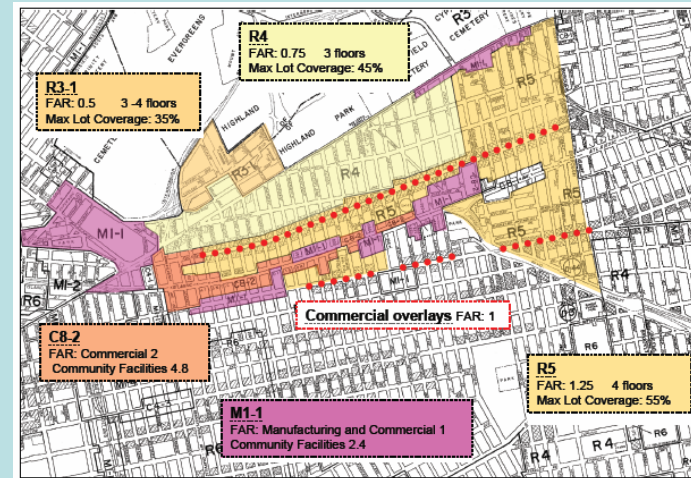


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Context: Zoning & Density

- Current zoning enforces residential areas and commercial ground floors on east/west streets; manufacturing in “corners” and along Atlantic Avenue
- Much of Cypress Hills is not built to its maximum allowable FAR; potential exists for creation of 900,000 square feet of new development
- Atlantic Avenue is wide and low-scale and feels underbuilt; presents as a logical place for increased density, but residential development would require a zoning change



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Context: Cultural and Historic Resources

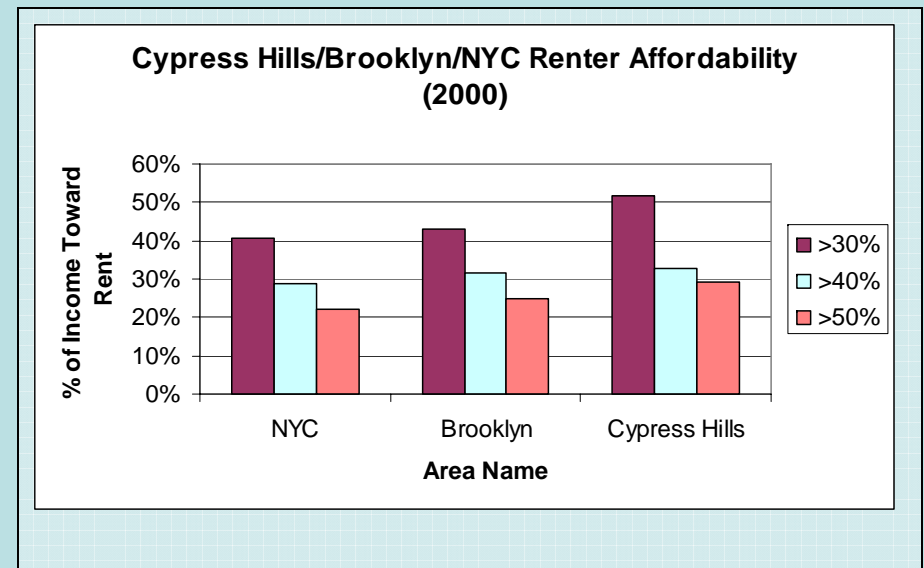
- Most buildings date from the late 19th/ early 20th Century
- Styles include Queen Anne, Spanish Mission Revival, NeoClassical, and Art Deco
- Many historic buildings are intact, worthy of preservation; some meet criteria for official recognition as landmarks
- Many important places of community gathering and social networking
- Residents not conscious of area's history but appreciate its aesthetic value and feel strongly about it as their *place*



Housing Affordability & Foreclosures

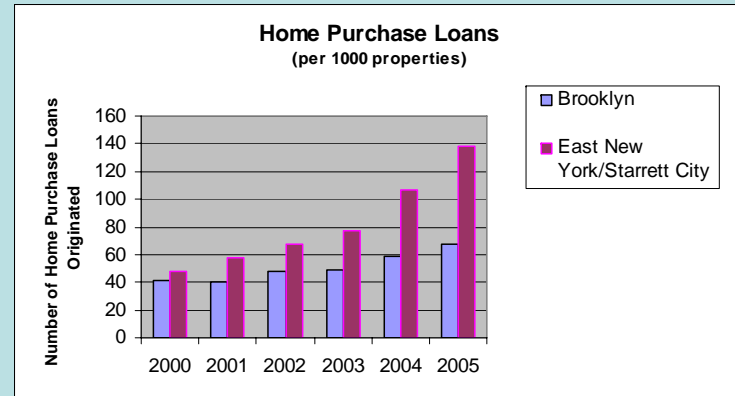
Housing Affordability: Crisis in Renter Market

- Half of the renter households in Cypress Hills, or 5,594, earned \$22,731 or less in 2000
- “Affordable” rent for someone at that income is \$625 per month; insufficient supply of apartments at that rent
- Half the renters paid 30% or more of their income on rent; nearly a third paid more than 50%
- Since 2000, incomes in CD5 have decreased 14.7% while median rents rose 20.4% citywide – making the problem worse



Housing Affordability: Crisis in Home Ownership Market

- Sharp rise in home prices in CD5 from 2003 to 2005
- Dramatic rise in home purchase loans in CD5 2003-2005
- Responses to financial pressure:
 - Homeowners try to sell property at increasingly high prices to pay off loans
 - Homeowners illegally convert spaces in their homes into rentals, creating “illegal conversion” problem



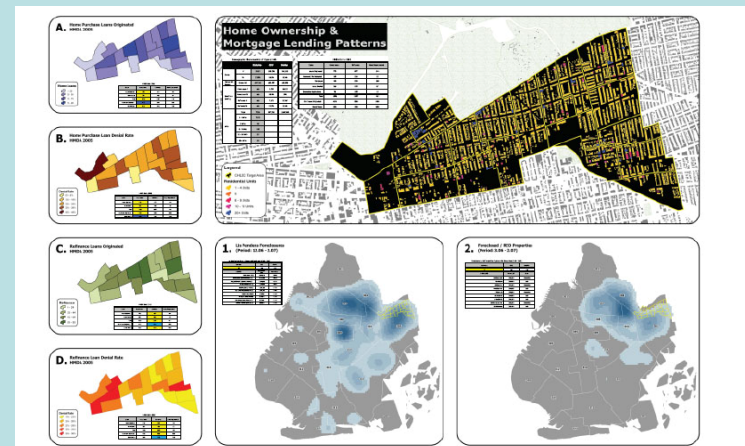
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Housing Affordability: Foreclosures Report

Goals & Methods

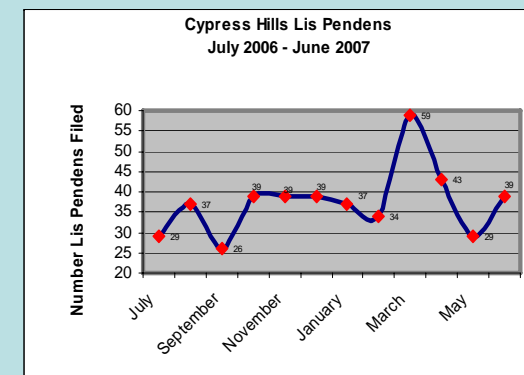
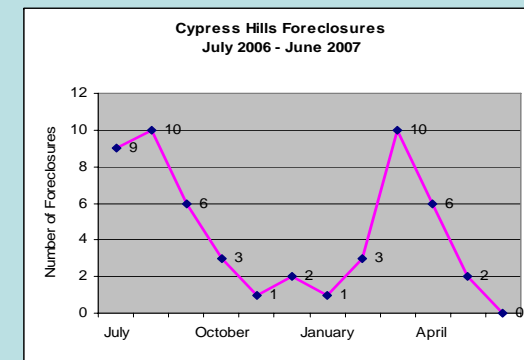
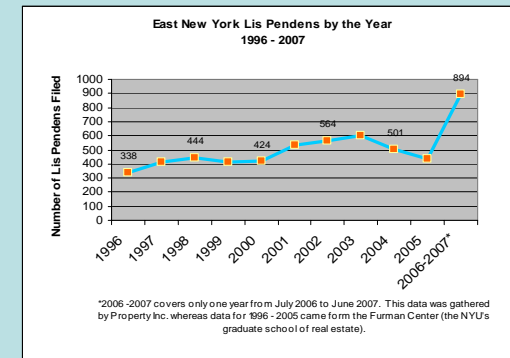
- Analyze foreclosures and lis pendens data; determine if there are early warning signs
- Research on lending practices and options for homeowners in default
- Data analysis using Property Shark, PLUTO and other sources
- Meetings with CHLDC real estate staff



Housing Affordability: Foreclosures Report

Findings

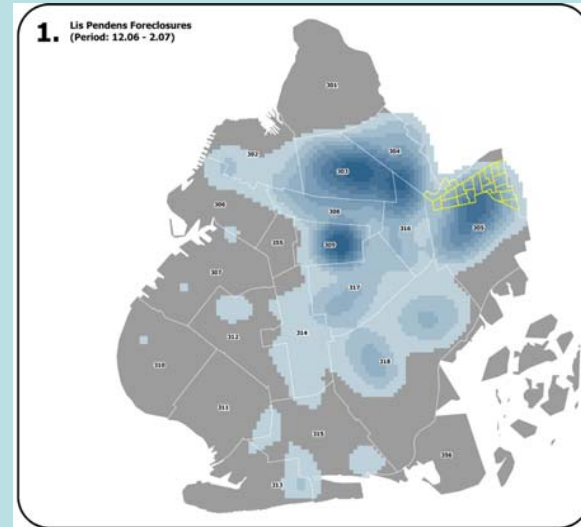
- Steep rise in number of loans in CD5 leads to alarming jump in lis pendens in 2005
- Lis pendens cases in CD5 increased by 200% from 2006 to 2007
- 53 foreclosures and 450 lis pendens in Cypress Hills from June 2006 to July 2007
- 2007 data showed that while foreclosures seem to be dropping off in numbers, lis pendens continue to fluctuate and rose in the early summer months



Housing Affordability: Foreclosures Report

Findings

- 17 lenders are responsible for 64% of the bad loans
- 5 lenders are responsible for 1/3 of the loans that resulted in lis pendens action and foreclosure in Cypress Hills
- No early warning signs became apparent through the research, however survey of owners in lis pendens and dialogue with banks could be fruitful



Lis Pendens Foreclosures: Cypress Hills Study Area (12.06 - 2.07)		
Study Area	CD 5	Brooklyn
57	209	1473
CREDITOR	Mortgage Loan Sum	Percent Share
U.S.Bank,N.A. C/O (I)	\$2,547,000	13.73%
Deutsche Bank National Trust Co. C/O (I)	\$2,107,100	11.36%
Mortgage Electronic Registration Systems (I)	\$1,618,000	8.72%
HSBC Bank USA,N.A. C/O (I)	\$1,312,000	7.07%
Wells Fargo Bank,N.A. C/O (I)	\$1,043,000	5.62%
New Century Mortgage Corp. C/O (I)	\$1,015,750	5.48%
Aurora Loan Services (I)	\$976,530	5.26%
JP Morgan Chase Bank C/O (I)	\$790,600	4.26%
Stillwater Asset Backed Fund,L.P. (C)	\$675,001	3.64%
Freshstart Venture Capital Corp. (I)	\$604,000	3.26%

Development Opportunity: Vacant Sites Report and Potential Rezoning of Atlantic Avenue

Vacant Sites Report: Data Analysis

Step 1: Analyze NYC PLUTO data using GIS software.
Search for vacant land, low built FAR, zero floors, and low square footage

Step 2: Search other sources
(ex: Property Shark) for
properties in lis pendens or
foreclosure



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Vacant Sites Report: Field Survey

Step 3: Organize a database and define the variables that a field surveyor will document

Step 4: Field surveyors go out into the field to collect data about and photograph each property, using the PLUTO map as a guide

Step 5: Field surveyors enter data and photos into database

Land use: 1 = single-fam res, 2 = multi-fam res, 3 = commercial / retail, 4 = mixed use, 5 = industrial / mfg, 6 = garage/storage, 7 = park / garden, 8 = parking, 9 = vacant

Condition (if building): 1 = structure uninhabitable, 2 = structure questionable, roof & siding problems, 3 = bldg ok, common wear & tear, 4 = bldg maintained, 5 = new

Condition (if no structure): 1 = distressed, potential enviro hazards, 2 = rubble, garbage strewn, 3 = standard, decent paving, 4 = well-kept, tidy 5 = newly paved/groomed park

Notes: Has historic integrity? Signs of construction activity or permits? Boarded up? Illegal tenancy? Include other information of interest at your discretion

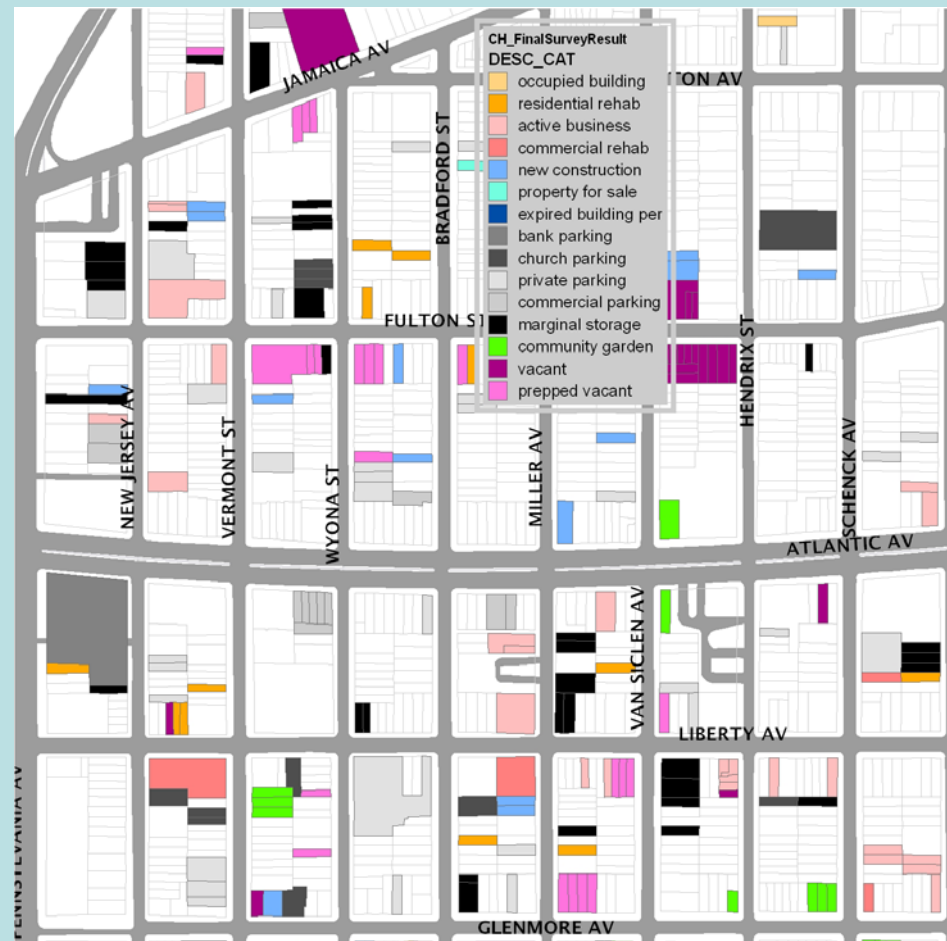


Vacant Sites Report: Ranking & Research

Step 6: Properties are characterized by type in a new map

Step 7: Lots are ranked on a scale of 0-5 based on CHLDC's priorities

Step 8: Conduct further property research using tools such as ACRIS and the DOB's website

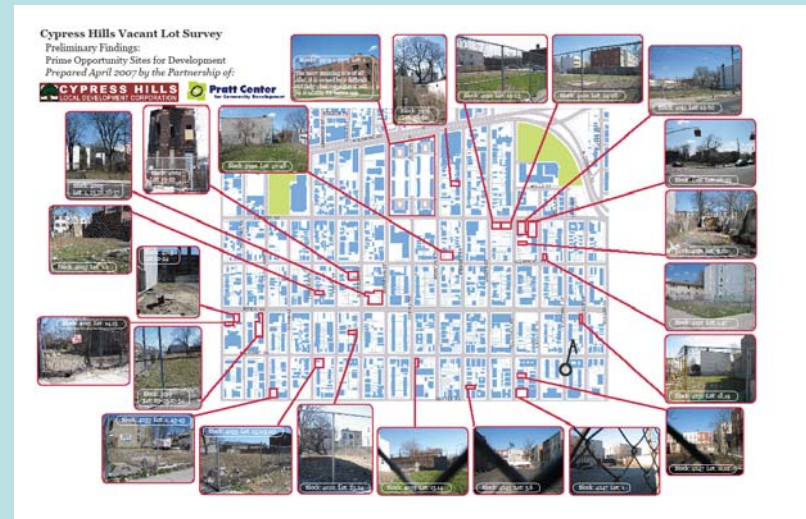


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Vacant Sites Report: Recommended Sites for Development

- High priority development sites
- Fulton and Liberty development sites
- Prime candidates for adaptive re-use
- Ownership data
- Zoning analysis for sites of interest



Property: 3059 Fulton St. (© Shepherd)
Block: 3644 Lot: 1

Built approx: 1951
Building Square Feet: 4,830
Stories: 3
Building Type: Over 6 families, no stores (C1)
Residential Units: 9
Zoning District: R5-1/C2-3 overlay Built FAR: 2.13 Max Allowable FAR: 1.25

Property Tax Assessment:
Actual land \$1,720
Actual total \$35,885
Tax class 25

Ownership:
Cosentino, Calisto
151 Shepherd Ave.
Brooklyn NY 11220
Cell: Cosentino @ same address: 718.235.3367

Title Document history:
N/A

Notes: Fire in 2006 caused extensive damage to the building, and roof has partially collapsed. No plans for any rehabilitation or construction on the Fulton St. location and residential/commercial zoning combo make this an attractive candidate for rehabilitation. A search for Mr. Calisto revealed that he is 67 years old. The phone number above came from information, and presumably is either an Americanized version of his name, or a family member.

Cypress Hills Vacant Lot Survey Results, Prioritized Site Selection

Location: Alabama Ave and Atlantic Ave
Block: 3664
Lots: 18, 20

Site Area: 12,092 sq ft

Description:
vacant lot in poor condition, remains of old foundation line

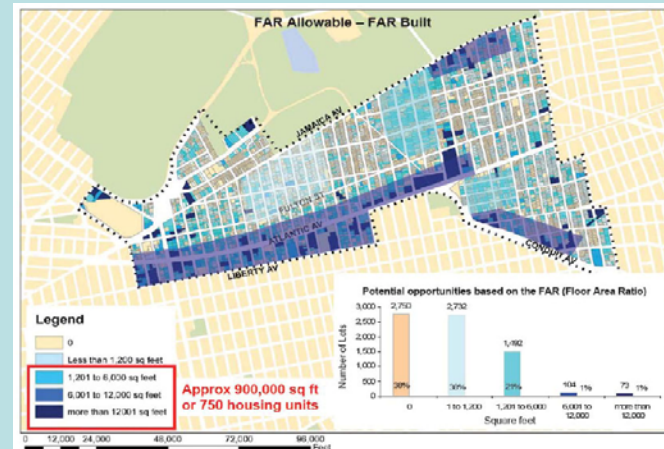
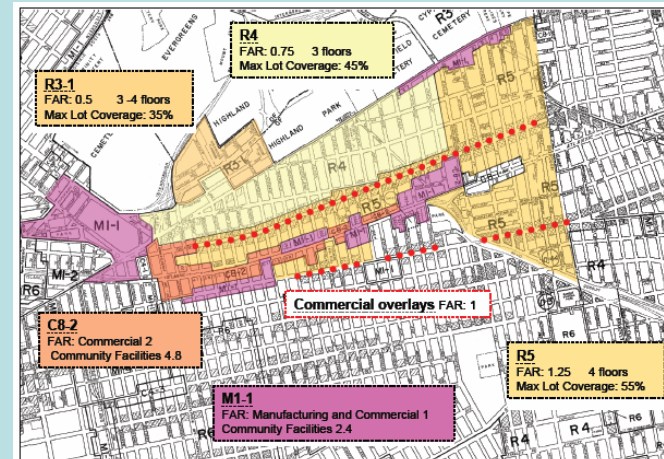
Lot	18	20
Zoning	M1-2	M1-2
Owner	Alabama Atlantic Corp	Alabama Atlantic Corp
Address	2466 Atlantic Ave Brooklyn, NY 11207	3152 Albany Cres Brooklyn, NY 11463
Phone No.		
Document Type	Deed	Deed
Transaction Date	10/17/86	10/13/95
Date of Mortgage	2/4/1987	2/4/1987
Mortgage Amount	\$40,000	\$55,000
Settlement	Alabama Atlantic Corp.	Alabama Atlantic Corp.
Transaction Notes	Agreement made with lender to extend mortgage on 10/13/1995	
DOB Permit Date	none	none
DOB Permit Notes		

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Potential Rezoning of Atlantic Avenue: Spring Studio ideas

- Examined zoning to find under-built areas and/or areas suitable for up-zoning that would create future opportunities for housing development
- R4 & R5 zones not built to maximum allowable FAR; Studio's theory that potential exists for creation of 900,000 square feet of new development
- Build out of residential zones would alter scale and character of streetscapes; is unlikely given financial issues
- Atlantic Avenue is a logical place for increased density; would require a zoning change



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Potential rezoning of Atlantic Avenue: Spring Studio ideas

1. Change zoning on Atlantic Avenue to R7A Residential District with a Commercial Overlay and an inclusionary bonus – mandate ground-floor commercial uses
2. Implement greening and traffic-calming measures; create energetic streetscape
3. Rezoning should exempt blocks where integrity of existing fabric argues for selective infill development



Potential Rezoning of Atlantic Avenue: Further Study

- Sensitivity to potential loss of manufacturing uses, including automotive
- More detailed understanding of Atlantic Ave manufacturing and commercial occupancy needed
- Field survey of Atlantic from New Jersey to Grant Streets
 - Confirmed land uses for every lot
 - Identified percentage of usage of existing buildings

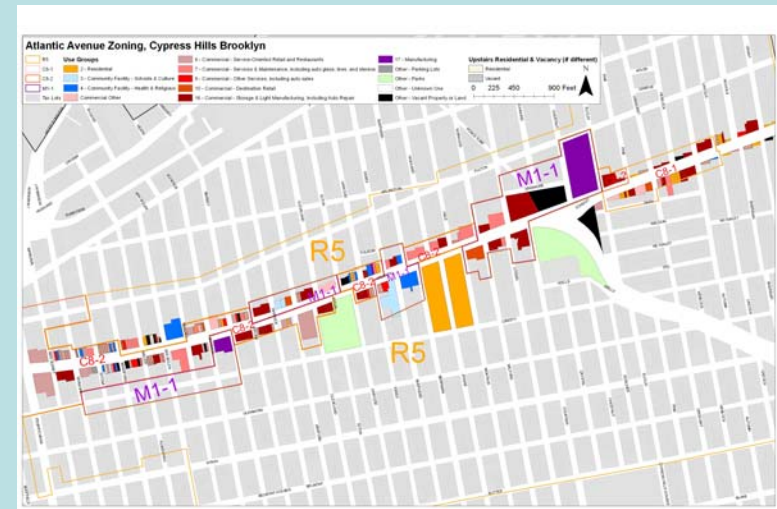


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Potential Rezoning of Atlantic Avenue: Findings

- Not all of M zones contain M uses
- Considerable amount of mixed uses and more residential than we expected to find
- C8 zones, allowing automotive uses, fairly well used
- Some underutilized buildings and underutilized/underbuilt sites

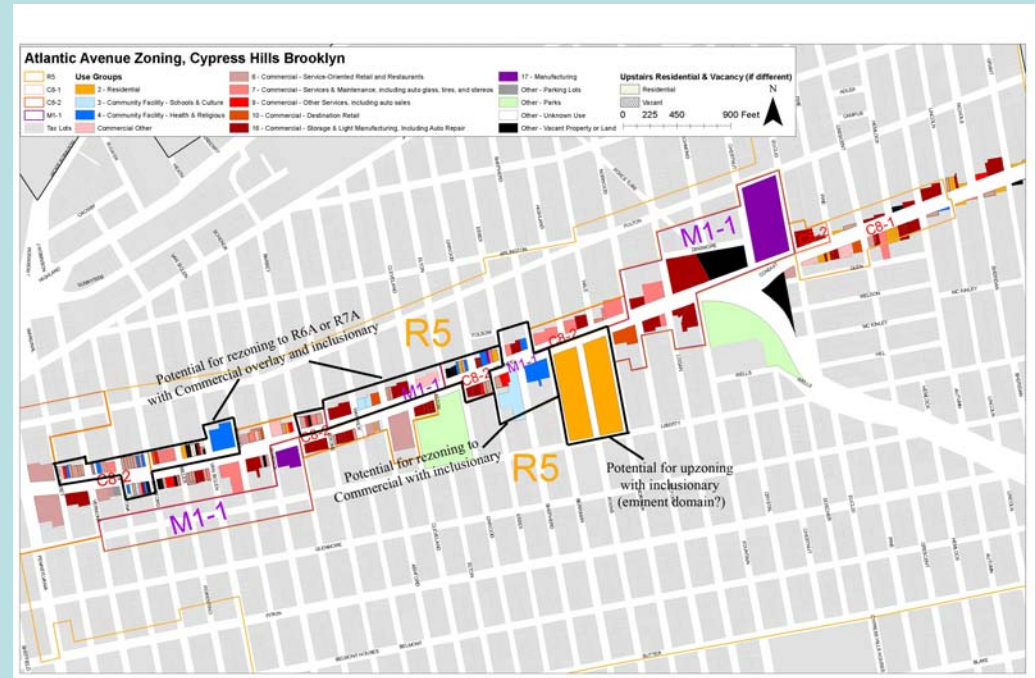


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Potential Rezoning of Atlantic Avenue: Recommendations

- Rezone M zoned blocks without active manufacturing uses
- R6A or R7A with inclusionary zoning bonus (R6A not especially good incentive for new development)
- Commercial overlay and mandatory commercial use on ground floor
- Explore potential actions for Berriman to Montauk Streets site
- Need to calculate potential number of units and assess need for contextual zoning north and south of Atlantic



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Potential Acquisition, Rezoning, and Development Strategy

- Preliminary meeting with City Planning
- Acquisition of sites with NYC Affordable Housing Acquisition Fund and other resources (does the Fund allow acquisition of M/C-zoned property?), or in partnership with owners or for-profit developer
- Work with City Planning on rezoning (and HPD/DHCR on financing)



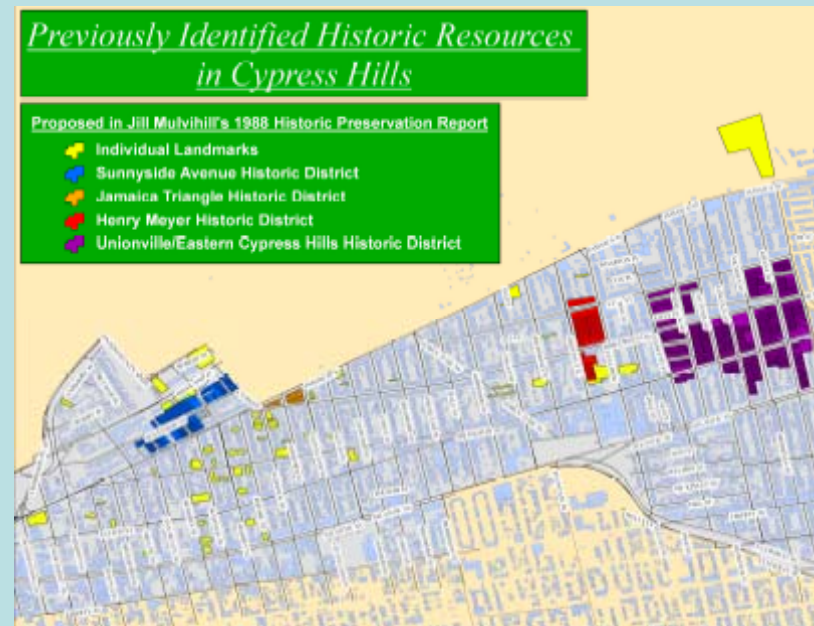
Placemaking & Historic Preservation

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Placemaking & Historic Preservation: Spring Studio

- Intact areas could be eligible for listing as historic districts on the National Register of Historic Places
- Selected buildings may also be eligible as individual landmarks
- National Register designation makes benefits available for property owners, such as tax breaks and eligibility for grants
- New York Landmarks Conservancy, a citywide non-profit, is interested in applying its Historic Properties Fund program to Highland Park



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Placemaking & Historic Preservation: Spring Studio

Placemaking Ideas: Community engagement for protecting historic and cultural resources

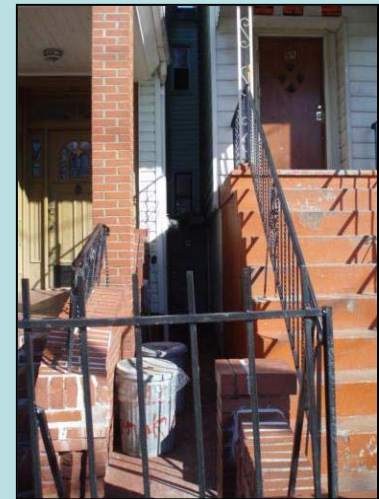
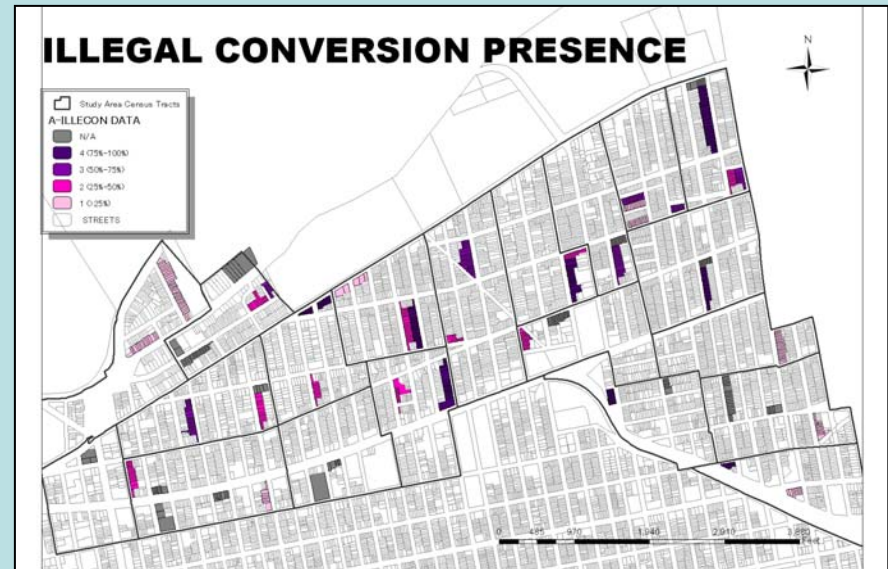
- National Register nominations
- Adaptive Reuse of vacant historic manufacturing/commercial buildings in R zones
- Revitalization strategies for Fulton Street commercial corridor
- Maximize open space (farmer's market and community garden)
- Creation of interpretive neighborhood center



Illegal Conversions

Illegal Conversions: Spring Studio

- Affordability Issues
 - Property owners need income because house costs are higher
 - Low income tenants have few other options
- Pervasive – almost every block has some; on many blocks a majority of buildings
- Little impact on historic integrity of buildings
- Unintended Consequences
 - Potential for overburdened schools, fire, police, and sanitation
 - Unsafe living conditions in buildings that do not meet code
- Extreme sensitivity of issues



Illegal Conversions: Pratt Center Policy Initiative

Potential strategies

- Establish new Accessory Dwelling Unit category in building code to guide legalization of current illegal units
- More flexible than current ADU category – addresses what is really needed in a “healthy basement unit” and allows for relatively easy adaptation in existing housing stock
- Financing & Education Plan to offer assistance to owners in return for retention of unit as affordable
- Applicable in all R zones; amnesty for participants



Thank You!

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