DEMOCRATIZING MIXED-USE DEVELOPMENT:
Recommendations For The Bronx Community Land Trust

Planning Studio
Spring 2020
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Introduction
I. Studio Purpose

Community Land Trusts (CLTs) are experiencing a pivotal moment of growth and attention at this time in New York City. Many marginalized communities have turned to CLTs as not only a means of combating intense real estate speculation and displacement, but also as a means of establishing transformative politics which aim to dismantle the established economic, political, and societal structures of New York City.

The Bronx Cooperative Development Initiative (BCDI) is a community-led organization focusing on community planning and economic development. BCDI has worked to lead a network of community groups, labor organizations, anchor institutions, and local businesses in order to create an equitable, sustainable, and democratic economy in the Bronx. At this time, BCDI is partnering with The Northwest Bronx Community and Clergy Coalition (NWBCCC), a well established grassroots community organization in the Bronx. As part of their partnership, BCDI and NWBCCC are spearheading the development and strategic planning of the newly established Bronx Community Land Trust (Bronx CLT).

The purpose of this studio course is to inform and support both BCDI and NWBCCC in their partnership and their efforts to grow and develop the Bronx CLT. Considering the Bronx CLT’s goals of acquiring and maintaining properties that help them fulfill their mission to create community-controlled spaces for entrepreneurship, living wage jobs, recreation and fellowship, and affordable housing, the purpose of this studio course is to develop a significant base of research, analysis, and policy recommendations to support the advancement of the Bronx CLT.
II. Studio Objectives

This course represents the capstone of the Hunter College Masters of Urban Planning and Policy program. This studio provides the participating students with an opportunity to bring together their collective coursework and experiences in an effort to address a tangible planning problem and meet the goals of a client, defined in this report as the Bronx Community Land Trust.

The objectives for this studio include: Collecting, analyzing, and synthesizing existing research, contextual data, and information gathered through field observations; Working collaboratively to develop a deep understanding of the information gathered and applying this understanding to the problem at hand; and effectively communicating all findings and recommendations through a written report and public presentations.

For the purposes of achieving these objectives the course was organized into three teams. Property Research, Site Analysis, and Policy Review. The Property Research team conducted research in the borough’s three of Industrial Business Zones (IBZs) - Zerega, Bathgate, and Eastchester - to identify, ground-truth, and recommend potential properties for the Bronx CLT. The Site Analysis team chose three specific sites (including one recommended by the Property Research team) and proposed development scenarios for them based on site characteristics and guidance from the client. This team also developed financing and operating models (pro formas) for two of the properties. Finally, the Policy Review team completed extensive research on successful mixed-use CLT projects and operations, as well as a careful assessment of the current policy environment in New York City and New York State to determine challenges and opportunities for the CLT movement and propose strategic policy actions to the Bronx CLT.

Throughout the semester each of the teams communicated frequently with the client as well as key experts and informants for research support and advice. These individuals are listed on page 64.

III. Background

A. Community Land Trusts

Community Land Trusts can trace their origin to the American Civil Rights and economic movements in the segregated South. African Americans in the South were refused the right to land ownership, which led to the formation of the first formal Community Land Trust in Albany, Georgia. Based on the ideas of economist Henry George, who believed increases in land value should be distributed to the public, rather than captured by passive landlords who do not contribute to the public good, the New Communities Inc. land trust and farm collective began operating in 1969.

What makes Community Land Trusts innovative is that any improvements or buildings constructed on the land are separated from the land itself, a mechanism that promotes permanent affordability. Within a CLT, a nonprofit entity holds the title of the land in perpetuity, removing the land from the market and any potential real estate speculation through restrictions on the resale or transfer value of the structures on the land. The CLT provides permanent affordability through long term leases that hold increased value created by improvements to the buildings or broader neighborhood economic trends within the community as opposed to investors or owners not tied to the community. Treating
the land as a common resource, the CLT retains the increases in land value that occur overtime. And, with a governing board democratically elected by voting community members and CLT lease holders, the CLT can make strategic decisions about how to reinvest their co-created wealth to promote further community control of land.

This framework advances an economic vision based in democratic community control of resources. CLTs are one of the foundations of a broader transformative movement to restructure current neoliberal political and economic institutions; they are part of an effort to build institutions of cooperative and collective governance. Seen as a solution to many inequalities including issues of displacement, gentrification, and affordability, CLTs have gained significant traction in urban centers across the United States. According to the Department of Housing and Urban Development, today there are over 225 CLTs in the United States, with many of these CLTs being formed within the past ten years.5

B. Community Land Trusts in New York City

Beginning with the Cooper Square Community Land Trust (Cooper Square CLT) in 1991, CLTs have become an established part of New York City’s urban fabric. Today, there are over 15 CLTs within New York City and at least two advocacy organizations that aim to help CLTs receive the resources and support needed to achieve success in New York City. Although the CLT model has grown and been readily accepted in New York City over the past three decades, CLTs still face many arduous challenges that CLTs in other municipalities may not face. In New York City, not only do CLTs face the exceptionally high cost of purchasing property and development, but also powerful real estate interests that feed off of the speculative market.

In 2017, the City Council of New York passed legislation officially codifying CLTs and allowing them to enter into regulatory agreements with the city.6 In addition to this important legislative milestone, New York City CLTs were also awarded an Enterprise Community Partners of $1.65 million to fund
a variety of CLT projects across the city. This grant was distributed to CLTs through the Department of Housing Preservation and Development. This grant helped CLTs gain an important foothold in the City’s budgeting process and helped provide momentum for CLTs to be earmarked $750,000 in New York City’s 2019 budget. Although these funds could not be used for the acquiring of new properties, they were instead utilized for technical services, outreach, and community organization.\(^7\)

For the 2020 budget, CLT advocates were pressing for $850,000 in similar funding. While it is currently unclear if this funding will be included in the 2020 budget, the rapid growth and influence of CLTs in New York City has also brought many CLTs to a crossroads. Many New York City CLTs will need to choose their identities. On one hand, many CLTs may choose to focus on professional housing and commercial development, forsaking several of the original transformative aspects of the model. Without considering the expansion of community control, decommodification of land, and aiming to change current power structures, CLTs may become tools of maintaining the current economic and political institutions.\(^8\) It is for this reason that now more than ever, CLTs such as the Bronx CLT must work to consider the needs of their community and strive to center the organization around the promotion of economic and racial justice.

C. Community Land Trusts in the Bronx

As with the rest of New York City, interest in the CLT model has expanded in the Bronx recently. At the time of this report, there are five organizations that are in the process of or already have established a community land trust component in the Bronx, including the Bronx CLT. Other CLTs in the Bronx include the South Bronx Community Land and Resource Trust, the Mott Haven-Port Morris Community Land Stewards, and the Banana Kelly Community Improvement Association. Each of these CLT efforts has been established within the last 5 years. These CLTs are also members of the NYC Community Land Initiative (NYCCLI), which was established in 2013 to help facilitate cooperation amongst New York City’s growing number of CLTs.\(^9\) In 2017, the Interboro Community Land Trust (ICLT) was established. The ICLT functions partly in an advocacy...
capacity for CLTs, but also as a community land trust that hopes to hold projects in each of the five boroughs. One of the ICLT’s first projects is slated to break ground in the South Bronx.

Community Land Trusts have continued to experience growth and attention in the Bronx due to the borough as a whole becoming a central battleground between communities and the rising tide of displacement. The Bronx has recently fallen under the emboldened magnifying glass of for-profit real estate development. As Bronx land continues to be subject to speculative interests, CLTs such as the Bronx CLT represent a crucial means of preserving, developing, and promoting affordability to the community as well as assuming greater control over governance and decision-making about space in the borough. In addition to safeguarding and expanding affordable housing options, the Bronx CLT has chosen to include affordable commercial and manufacturing spaces in its purview. This extended scope will allow for not only a more comprehensive means of combating community displacement, but also an amplified force in favor of transformative community control and a democratic economy.

IV. Unprecedented Times

It would be remiss to not acknowledge the state of our reality at the time of this report. CUNY schools switched to a remote learning model on March 11, 2020 and on March 20, 2020, New York Governor Cuomo ordered all non-essential employees to stay home. This studio, as with many other forms of education, occupation, and daily life, has persevered for the past eleven weeks remotely with no in-person meetings.

With over 1.2 million confirmed cases in the United States as of May 1, 2020, it is not an overreach to say the novel coronavirus (COVID-19) has turned daily life on its head. New York state has been hit particularly hard by the virus with roughly a fourth of all confirmed cases (320K) and deaths (20K) in the United States taking place in New York. And within New York state, New York City has been the epicenter of the epicenter. Out of New York State’s 320,000 confirmed cases, almost 180,000 of those cases have been confirmed within New York City. And yet, this virus cuts deeper, to the very core of why now, more than ever, this city is in dire need of transformative politics. With some of the highest rates of obesity, asthma, hypertension, and diabetes in the state, the Bronx had a disproportionately higher risk of death in comparison to the other boroughs even before the coronavirus pandemic. As the city’s poorest borough and home to many of the city’s essential workers, the Bronx has been ravaged by the coronavirus in a manner that only emphasizes its time-tested status as New York’s capital of marginalization. The Bronx not only had the most confirmed cases of any borough for an extended period, it also had the most infections per capita according to the Department of Health. The African American and Latino communities in particular have been disproportionately affected by the virus, and have seen few signs of relief or hope as the virus continues to bring pain, frustration, anxiety, and dejection.

With all of this in mind, the students of Hunter College’s Spring 2020 Master of Urban Planning Studio Course present this report.

It is a common question to hear these days: “When will things go back to normal?” This report is dedicated not in hopes of “going back” to “normal” but in hopes of “going forward.” Going forward towards a tomorrow of community control, economic democracy, and racial justice.
Property Research
The property research team set out to identify properties that were suited for the needs of the Bronx CLT. The team sought a balance between feasibility and desirability. Ideal sites are out of the price range of the Bronx CLT but there are minimum requirements that a property must meet to be worth the investment.

The team developed a multi-step process to determine potential sites:

A. Selection Criteria
B. GIS (geographic information system) analysis
C. Ground Truthing
D. Web Truthing
E. Property investigation

A. Selection Criteria

The team first set out to generate a list of selection criteria to identify properties that would meet the needs and the realities of the Bronx CLT. Using existing criteria from previous studies and incorporating new information, the property research team created the following criteria to assess potential properties:

<table>
<thead>
<tr>
<th>Selection Criteria</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>Government owned property</td>
<td>Less expensive acquisition cost</td>
</tr>
<tr>
<td>Lot minimum size of 1000 sq. ft.</td>
<td>Capable of supporting multiple uses</td>
</tr>
<tr>
<td>Located in a Bronx IBZ or buffer zone</td>
<td>Allows for manufacturing use</td>
</tr>
<tr>
<td>Manufacturing Zoning</td>
<td>Manufacturing uses align with CLT mission</td>
</tr>
<tr>
<td>Existing building on Property</td>
<td>Retrofits are less expensive than new construction</td>
</tr>
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</table>

It was important to focus on government-owned sites because government land can be donated to a CLT at a cost far below market rate. In previous instances the cost could be near zero. Underused land, vacant land, or distressed property owned by New York governmental entities such as HPD or DEP are prime targets for this type of donation. Private real estate companies are likely to demand market rate prices for land, particularly in areas of the Bronx that are beginning to experience gentrification.

The size minimum was important because it filtered out sites that were too small to be realistic acquisition targets. Any property the Bronx CLT acquires needs to be large enough to accommodate a variety of uses so it can support multiple types of tenants. Due to the time and resources it will take to acquire each property it imperative that the Bronx CLT focus on the targets that can return the greatest investment.

In addition to the size of the property, the property research team focused on location of the property. Through conversations with the Bronx CLT the group decided to focus research on the three Industrial Business Zones (IBZs) located in the Bronx. These IBZs are city-designated areas aimed at supporting manufacturing and industrial uses. The Bronx CLT has expressed interest in supporting manufacturing uses which are only allowed in certain zoned areas. In the Bronx there are three IBZs, Bathgate, Eastchester, and Zerega. More information on IBZs can be found on pages 12 and 13.

The final criterion was to limit the search to properties that had existing structures on-site. New construction costs in New York City are greater than retrofitting a similar sized building. By focusing on existing buildings the Bronx CLT will be able to keep costs down and ensure more projects are successful. Demolishing an existing structure and introducing new construction can also be detrimental to the environment.
B. GIS Analysis

The team used GIS analysis to generate a list of potential properties that matched the existing criteria. First the team acquired city data about all properties in the Bronx. Using that database the team mapped each property and the IBZs and eliminated all properties that were not located in an IBZ. Next the team eliminated properties from that group that were not owned by a government agency. Finally the team eliminated properties that were too small and did not have an existing structure on site.

This process narrowed the number of potential properties significantly. For example, the Eastchester IBZ contains 695 total lots. Of those only 27 were owned by a government agency and of those only 24 met the size minimum requirement. Out of those 24 lots seven had existing buildings on them meaning only 1% of all properties in the IBZ matched all the selection criteria. With this refined list of sites, the property research team moved on to the ground truthing phase.

C. Ground Truthing

Ground truthing consisted of on-the-ground research of the properties selected during GIS analysis. The purpose of the ground truthing was to obtain more information by observing each site in person. Information found online can be out of date or incorrect and ground truthing can reveal additional information about a place that is not possible to be captured without observing a place in person. The team designed a survey containing questions about the characteristics of each property and the surrounding neighborhood. This surveyed captured information about the building condition, signs of abandonment, and quality of surrounding infrastructure. The property research groups eliminated further properties from consideration based on the results of ground truthing. Due to COVID-19 pandemic only one of the three IBZs (Bathgate) was ground-truthed in person.

D. Web Truthing

Due to the COVID-19 pandemic it became impossible for the property team to complete its ground truthing of all the IBZs. Web truthing aimed to replicate the experience by using Google Maps to conduct remote truthings. This process was done for the Eastchester and Zerega IBZs. During this process the group used other information including flood maps.

E. Property Investigation

After ground and web truthing through sites such as PropertyShark and RealtyTrac helped locate information such as the building dimensions, type of building classification (office, manufacturing, warehouse), and recent sales. The property research team used this information when narrowing its final recommendations to choose the properties with the most potential for development and highest likelihood for acquisition.
II. Industrial Business Districts

Manufacturing has been in decline throughout the five boroughs, especially in the Bronx, since the 1980's. The drive for economic development has placed pressure to convert manufacture-zoned land to more profitable residential and commercial uses such as luxury buildings and hotels. Industrial Business Zones (IBZ's) are specific areas within New York City dedicated for industrial and manufacturing enterprises. Non-industrial businesses have been permitted into IBZs because their boundaries were not codified in the NYC zoning code. These locations were meant to be protected from rezoning to allow residential use by enacting the IBZ industrial preservation policy in New York City in 2006 under Mayor Bloomberg. The benefit for businesses who move into an IBZ, is a tax credit of $1,000 per employee, up to $100,000. This tax credit is intended to ease relocation cost burdens and encourage development in these designated areas. IBZ's are predominantly industrial but may not be for long due to pressure for mixed use and luxury residential development in New York City.

What makes a good industrial site?

Cassandra Smith, Senior Project Manager from Greenpoint Manufacturing and Design Center, spoke to the Planning Studio about what characteristics a site needs to have to make it viable and desirable for manufacturing activity. Smith stated that floors should have ample load-bearing capacity. Additionally, a property needs to have high ceilings to be able to accommodate manufacturing, due to a certain amount of ceiling clearance required by building and fire codes. High ceiling space also makes it easier to move. For buildings with lower ceilings, such as those at the 4006 Third Avenue location, Smith suggested small-scale woodworking, food, or garment production. In addition, she also suggested that food catering could work at 4006 Third Avenue, in part due to the parking space available in the back of the site for delivery trucks to load and unload.

The Bronx CLT has a strong interest in preserving and promoting industrial jobs.

On the other hand, Bathgate IBZ residents and the South Bronx already suffer from congestion and low air quality created by trucks. The presence of the Cross Bronx Expressway has created many respiratory health issues throughout history due to the increase of pollutants by traffic. Michael Partis, BDCI's Executive Director, showed concerns over further exacerbating the existing issue of poor air quality due to vehicle truck traffic in the South Bronx. This concern can lead into thinking of light industrial uses that rely less on trucks. Another creative alternative can be leasing space to creative artists of the Bronx that need space for crafting art.
III. IBZ Characteristics

Eastchester Industrial Business Zone:

The Eastchester Industrial Business Zone is located in the northern part of the Bronx bordering Westchester County. This area has historically been a Jewish and Italian ethnic enclave. The Eastchester IBZ is close to Hutchinson River Parkway, the New England Thruway, and Boston Road. It is also close to Co-op City, which is a high-density residential area in The Bronx. The dominant zoning for this IBZ is M1-1 but M2-1 and M3-1 zoning can also be found for certain lots.

Zerega Industrial Business Zone:

The Zerega Industrial Business Zone was created to help provide job opportunities to Bronxites. According to NYCDCP, “Zerega’s history in industrial and manufacturing uses has created high environmental contamination within the area, which may lead to barriers to future investments.” In 1969, the Zerega Avenue Urban Renewal Area assembled 60 acres, giving the Economic Development Administration the opportunity to offer developers “parcels of suitable size for modern industrial development to provide significant job opportunities and contribute to the City’s economy.” M1-1, M2-1, and M3-1 are dominant zoning uses for this IBZ. M2-1 allows medium intensity industrial uses with higher noise levels as long as all activities are in an enclosed environment with a max FAR of 2.0. M3-1 allows for heavy industry that generates noise, traffic or pollutants. M3-1 can allow power plants, solid waste facilities, recycle plants, and fuel deposits. Many of the businesses in this IBZ include automotive-related businesses, bulk storage, construction, food services, wholesale and retail trade, asphalt manufacturing, and services. The Zerega IBZ contains many parking lots for school buses and empty lot lands that have nothing built on them (no structures). The IBZ is between Community District 9 and 10 and the majority of the people living there are Black and Hispanic.

The Zerega IBZ is adjacent to Westchester Creek. Zerega’s flat topography and close proximity to a flood zone from the East River make it a challenging place for property development by the Bronx Community Land Trust, particularly because most of the land that is owned by the city in the area lacks existing structures. Zerega’s proximity to a heavily polluted waterway creates an additional challenge to investment. Mitigation and structures to detain runoff and flooding can be costly, hence making this area somewhat undesirable for a development organization with a limited budget to work with.

Bathgate Industrial Business Zone:

The Bathgate Industrial Park was created in 1982 by the Port Authority of New York/New Jersey and the NYC Economic Development Corporation in hopes of the new district being “a catalyst for economic growth and development in The Bronx.” The Bathgate IBZ is composed of 20 acres and has 454,000 combined total square feet of space. The Bathgate IBZ houses diverse uses composed of light industry, distribution of goods, office space, educational services, and automobile businesses such as body shops. Historically, the Bronx was home to Jewish communities. The Bathgate IBZ has close proximity to the Cross Bronx Expressway (I-95) making it more accessible by car than by public transportation.

The Bathgate IBZ district is zoned for M1-1, M1-4, R7A, and R7X. M1-1 zoning is typically found adjacent between commercial and residential districts and allows for light industrial uses such as woodwork shops, repair shops, wholesale services, and storage facilities. M1-4 zoning allows for a FAR of 2. R7A and R7X are residential zonings that accompany some of the M1-4 for zoning making some lots within the manufacturing district mixed use. R7A allows for residential multifamily story buildings of six to seven stories and R7X allows for 10 to 12 stories. Houses of worship are allowed in this district as of right which explains the vast amount of existing churches.

The Bathgate IBZ houses many community facilities such as childcare centers and schools. The Bathgate Educational Campus in the IBZ houses Mott Hall Bronx High School, Validus Preparatory Academy, and Urban Assembly School for Applied Math and Sciences. There is a nearby NYPD precinct and FDNY fire station. The IBZ is close to Tremont Park, Claremont Park, and Crotona Park. This area still suffers from poor air quality due to its proximity to the Cross Bronx Expressway.
Space for Auto-related Uses

One potential priority for the Bronx Community Land Trust is to help preserve space for automobile-related businesses. Mom and pop shops that cater to automobile owners have been getting displaced throughout all of NYC. For example, The Willet’s Point rezoning in Queens displaced many auto shop businesses to make space for retailers, open space, housing, and a school. The Jerome Avenue rezoning displaced auto-related businesses in the Jerome Corridor. Many of these businesses are also declining due to online retailers and chain stores that tend to carry automobile goods. The decline of auto-related businesses is an economic justice issue; many of the jobs the industry offered in Jerome Avenue and Willet’s Point were held by low-income people with low formal education levels. Many immigrants also held these jobs. How do we prevent these jobs from vanishing? Or should we focus on efforts to retrain these workers?

Paul Lipson, who has served as the executive director of The Point CDC, then as a chief of staff to Congressman Jose Serrano, and currently as the founding principal at a consulting firm, gave the Planning Studio insight on what kind of industrial space would be beneficial for automobile-related businesses. The 4006 3rd Avenue location would be an ideal location to preserve the automobile industry that is being displaced from the Jerome Corridor due to the proximity of this site to the Cross Bronx Expressway and the lot’s parking space. However, Lipson suggested that many of these mom and pop shops cannot afford to rent out spaces that are more than nine dollars a square foot. Poor savings and being adjusted to cheap rent rates have created a dilemma amongst shops trying to relocate themselves after rezonings. This means that for automobile-related businesses to flourish, deeply affordable space is needed. While our studio team decided not to propose auto-related uses on any of the focus sites, this dilemma is one that the Bronx CLT may wish to confront in the future.

4006 3rd Avenue has the potential to house Auto-related uses, but rising rents makes affordability a challenge for potential tenants. Courtesy of Abraham Cordova
IV. Acquisition Targets

Eastchester IBZ

The Eastchester IBZ contained few sites that matched the selection criteria. The potential sites included one golf course, one public park, two public housing buildings, and three MTA vehicle maintenance facilities. During web truthing each of these sites were eliminated as they were not viable acquisition targets for the CLT. At this time the property research team does not recommend any sites in the Eastchester IBZ.

Zerega IBZ

During web truthing of the Zerega IBZ the property research team found that the area was situated in the middle of a flood zone due its proximity to the East River and the Westchester Creek. Because of this the property research team does not recommend any sites in the Zerega IBZ.

Bathgate IBZ

After completing the ground truthing and site research for the Bathgate IBZ, the Property Research team recommends the following sites:

Property 1: 4006 3rd Avenue (Bathgate Industrial Park Site #16)

The property at 4006 3rd Avenue is a two-story government office building owned by the Department of Economic Development. The building is 30,000 square feet situated on a 24,500 square foot lot. There is a gated parking lot located on-site with direct street access. The building was constructed in 1986 and has been under New York City ownership the entire time.

Advantages:

- The site had a large gated loading area that would allow for off-street deliveries and pickups.
- The building's large size allows for a variety of potential uses and it is already built to accommodate offices.
- The building is currently vacant which makes acquisition more feasible.

Challenges:

- The low ceilings and building layout limit the potential redevelopment possibilities by excluding manufacturing use. Manufacturing uses require high ceiling heights for machinery and storage.
- The building is owned by the NYCEDC may be unwilling to work with the Bronx CLT because of their differing priorities.
Property 2: Sanitation Building (1595 Washington Avenue)

The property at 1595 Washington Avenue is a two-story miscellaneous government building owned by the Department of Sanitation (DoS). The total lot size is 7,018 square feet with one building onsite with a total of 10,000 square feet. There is parking space available off-street behind the building with access through an alleyway. The building has been used by the DoS since its construction in 1931.

Advantages:

- In addition to the main building, there is open space behind the building through the alley connecting it to the main street. It is currently being used as a parking lot.

- The building is currently underutilized by the Department of Sanitation.

- The Department of Sanitation has other buildings in nearby Crotona and Highbridge making potential disruption from losing this building less impactful to their operation.

Challenges:

- This building is the smallest building of the recommendations both in terms of lot size and building size. This may make acquisition more manageable, but it limits the type of uses that can utilize this space.

- The alley connecting to Washington Avenue is not wide enough for commercial trucks. This would limit the functionality of this space for manufacturing that requires large vehicles.

- This is the oldest building surveyed having been built in 1931. Any retrofits may face additional costs due to the age and condition of the building.
Property 3: Terrafina Building (1574-1598 Bathgate Ave, Bronx, NY 10457)

The property is owned by the Office of Economic Development and previously housed a wholesale food distribution company named Terrafina. The main building is a two-story building with a total of 52,000 square feet split between a 14,000 square foot office section and a 38,000 square foot warehouse space. With tall ceilings, the first floor can support manufacturing uses or function as warehouse space and the presence of several loading docks makes off-street deliveries and pickups possible. A second building on the property houses the Tremont Monterey Day Care which has been operating since 2007. A fenced play area sits between the two buildings.

Advantages:

- Large space with high ceilings can facilitate manufacturing and office spaces.
- The building is currently vacant which makes acquisition more feasible.
- The building is currently designed for warehouse distribution which is a flexible use.

Challenges:

- The Terrafina building shares a lot with Tremont Monterey Day Care and is across the street from the Bathgate Educational Campus which houses three other schools. The Bronx already suffers from heightened childhood asthma levels and situating manufacturing in the immediate vicinity of these schools will contribute to that problem.

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<th>Building Size (Sq Feet)</th>
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<tbody>
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<td>4006 3rd Avenue26</td>
<td>24,441 (252x100)</td>
<td>30,000 251x90</td>
<td>Office Only (O2)</td>
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<tr>
<td>Sanitation Building27</td>
<td>7,018 (50x141)</td>
<td>10,080 40x80</td>
<td>Department of Sanitation (Y6)</td>
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<tr>
<td>Terrafina Building28</td>
<td>51,950 (312x170)</td>
<td>58,954 169x114</td>
<td>Office with Commercial (O5)</td>
</tr>
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Terrafina Building Property Courtesy of Google Earth. Graphics by Moises Reyes Vargas
Site Analysis
I. Introduction

In order to bring prospective sites, like those identified by the Property Research team, under the control of the Bronx CLT, our client expressed the need to develop detailed financial analysis for the acquisition and operation of key sites. Both from an advocacy and operational perspective, financial pro formas for priority sites can help make the case for the Bronx CLT to acquire and manage properties to City and State officials by proving how CLT development can thrive. These tools and the background information in this section make possible the replication or reutilization of parts of the Studio’s work for other development opportunities. The goal of the Site Analysis team was to prioritize three sites for mixed-use CLT acquisition and development, create pro-formas for two sites to show how the projects can be financed and operated, and to prepare a zoning analysis for the third site.

Over the course of the Studio, the Site Analysis team managed and operated three phases of work: Background Research, Site Selection, and Pro Forma development. The Background Research phase consisted of conversations with experts in the affordable housing and mixed-use development fields, a review of financing programs and sources of funding for affordable developments, and a buildout of development assumptions to use in the pro forma creation phase. For the Site Selection phase, the team developed a broad set of criteria to narrow a preliminary list of sites provided by the client. Lastly, the team created development and operating pro formas for sites at 1932 Arthur Avenue and 4006 3rd Avenue and conducted a zoning analysis for new construction at 2205 Sedgwick Avenue.
II. Background Research

This section of the report reviews the background research and the site identification process, describes market research used to inform the pro formas, and introduces development proposals for the three selected sites.

Before diving into the specifics of any given site, the Site Analysis team conducted background research into potential funding sources and consulted expert opinions. Drawing on past coursework in the Economics of Real Estate Development, we gathered information on subsidy programs that could support the construction and operation of below-market residential, commercial, and manufacturing space, then sought the advice of experts in affordable housing and industrial development to see which programs we should prioritize. Developers take on loans and secure equity to pay for the construction or rehabilitation of buildings and pay off the loans over time with the income generated from the project. Where developers get loans and equity make a big difference in the level of affordability they are able to provide in both the short- and long-term. Being able to get “free money,” or equity provided by certain government programs or private fundraising, helps reduce the amount of money required to pay back to lenders and means less expensive rents for tenants. Generally, our research emphasized the need to match sources based on the uses involved, and to weigh how different sources of debt and equity could complement each other to make an affordable project possible. This section will outline the general use areas, operating entities, and scale of the sources of funding, while the two development proposals will provide more detail about how the programs are used.

The equity sources we investigated ranged from federal to local programs and discretionary funding offered by local elected officials. For affordable residential development, the main programs to draw on are the Low Income Housing Tax Credit (LIHTC, often pronounced as “lie-tech”) program offered by the federal government and the Extremely-Low and Low Income Affordability Program (ELLA) administered by the New York City Department of Housing, Preservation, and Development (HPD), which together can set up the development to partially reach the level of affordability identified by the BxCLT. The LIHTC program can help subsidize a small amount of commercial space in mixed use buildings, but the developer must be careful to remain under the limit for residential space to commercial space spelled out in the program terms. For industrial and commercial equity sources, federal programs include the New Markets Tax Credit program (NMTC) and the Community Development Block Grant (CDBG). These programs are more competitive but can make significant manufacturing and commercial projects viable. Additional sources for smaller amounts of equity include discretionary funding from the City Council and the Borough President, known as “Reso A”.

To complement these sources of equity, the BxCLT’s projects will need to draw on loans with favorable and flexible terms as offered by government entities like the Housing Development Corporation of New York State (HDC) or private Community Development Financial Institutions (CDFI). HDC and HPD offer loans for affordable housing development that have low interest rates and flexible periods for repayment. The primary objective of these city and state sponsored loan programs for affordable housing is to preserve control of the affordability levels, so they build in flexibility into the loan to make this goal possible. Another necessary source of loans is CDFIs like Enterprise Community Partners and Local Initiatives Support Corporation (LISC). These organizations are able to provide both financing and technical feedback on projects that develop
affordable housing, commercial, and manufacturing space. However, the terms of loans provided by these organizations tend to spell out a higher interest rate than the government programs.

The Studio corroborated facts and learned the pros and cons of a handful of these programs and sources through conversations with experts and practitioners. While a complete list of the people we spoke with including their organizations and titles can be found as in the acknowledgments section, some of our contacts include affordable housing finance experts from LISC, a Project Manager from Greenpoint Manufacturing and Design Center, and a City Planner from DCP focusing on Manufacturing and Commercial uses. Some of our main takeaways were:

- The New Markets Tax Credit should only be used for large projects because there are significant costs that come with the administration of the program. Although there are extra costs, the amount of money you can get from the program makes it worth it if the project has a development budget of at least $10 million. Greenpoint Manufacturing and Design Center’s (GMDC) 2008 industrial development project Greenpoint used NMTC to access $17.8 million in financing.
- Since manufacturing tends to lease at lower rents than other uses, and because costs for rehabilitation and construction remain high for industrial property, taking advantage of programs like the NMTC, CDBG, or the Historic Tax Credit are crucial for reaching the level of affordability of 80% of market rate rents.
- Creating a Condo Apportionment in a mixed use project (described in detail later in the report) can allow a developer to leverage sources of subsidized financing that would be impossible to use in a development not subject to such an apportionment, due to restrictions in the terms of the subsidy programs.
- According to a Planner at DCP, the agency is examining and promoting more life sci-
ence and health laboratory spaces which would potentially be appropriate in manufacturing zones, but tend to rent at a higher rate than traditional manufacturing tenants.

III. Site Identification

The next step in the Site Analysis team's process was selecting sites for detailed financial analysis. The criteria balanced site specific characteristics like lot size, building size, and zoning with neighborhood characteristics like access to transit, proximity to anchor institutions, and the presence of friendly political leadership. By comparing each site using a uniform set of criteria, we were able to more objectively identify good sites for the Bronx CLT to pursue. BCDI presented us with acquisition leads that their previous research had identified. From this list, we selected two sites: 1932 Arthur Avenue and 2205 Sedgwick Avenue. In addition to the BCDI leads, the Site Analysis team worked with the Property Research team to identify one additional site to include in the analysis: 4006 3rd Avenue in the Bathgate Industrial Business Zone.

As the Bronx CLT looks to identify more sites for future development, our Studio recommends applying a consistent set of criteria to be able to compare sites more effectively and make a more strategic decision on how to move forward. The criteria outlined above show primarily a quantitative approach to selecting sites. While using quantitative criteria is a more straightforward approach, developing criteria that are more subjective or ethereal can be helpful too even if just for internal reasoning and deliberation. For example,
BCDI expressed an interest in identifying sites that may be easier to acquire due to political circumstances. Though there are not any specific measurements that can be used to identify this, having several people compare their perceived understanding of the political circumstances is still a helpful data point in the decision making process.

### Site Analysis Property Summary

<table>
<thead>
<tr>
<th></th>
<th>2205 Sedgwick Ave.</th>
<th>1932 Arthur Ave.</th>
<th>4006 3rd Ave.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Owner</strong></td>
<td>DASNY</td>
<td>DCAS</td>
<td>NYCEDC/PA-NYNJ</td>
</tr>
<tr>
<td><strong>Lot Area (sqft)</strong></td>
<td>48,000</td>
<td>27,936</td>
<td>24,441</td>
</tr>
<tr>
<td><strong>Building Size (sqft)</strong></td>
<td>5,115</td>
<td>123,802</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Zoning</strong></td>
<td>R5</td>
<td>R7-1, C4-5X</td>
<td>M1-4</td>
</tr>
<tr>
<td><strong>FAR</strong></td>
<td>1.25</td>
<td>Res 3.44, Fac 4.8</td>
<td>1.23</td>
</tr>
<tr>
<td><strong>Unused FAR (sqft)</strong></td>
<td>77,981</td>
<td>n/a</td>
<td>18,820</td>
</tr>
<tr>
<td><strong>Current Use</strong></td>
<td>Day Care for BCC</td>
<td>Office</td>
<td>Vacant, but formerly office</td>
</tr>
<tr>
<td><strong>Bld. Condition</strong></td>
<td>In Use</td>
<td>In Use</td>
<td>Unused but available for lease by PANYNJ</td>
</tr>
<tr>
<td><strong>Transit Access</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Food Access (1-5)</strong></td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Near Community Facilities (1/2 mile)</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Near Eds + Meds (1/2 mile)</strong></td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Acquisition Cost</strong></td>
<td>$1 from State</td>
<td>$1 by City</td>
<td>$1 by City</td>
</tr>
<tr>
<td><strong>Env. Hazard</strong></td>
<td>0</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td><strong>Political</strong></td>
<td>CD7 (Cabrera)</td>
<td>CD6 (Salamanca)</td>
<td>CD6 (Torres)</td>
</tr>
</tbody>
</table>
IV. Market Research and Use Basis

The Site Analysis team chose uses for the selected sites, 1932 Arthur Avenue and 4006 Third Avenue, based on needs identified by the community, market research, and various discussions with professionals at the New York City Department of City Planning as well as mission-driven developers and consultants at LIIF (Low Income Investment Fund) and Local Initiatives Support Corporation (LISC).

We identified the residential unit mixes and affordability levels based on the subsidies available and the physical characteristics of the spaces. To ensure the long-term viability of non-residential uses we conducted research about which uses could be supported by the market or backed by New York City initiatives. It is important to note that since the goal is to create affordable mixed-use development, the task was viewed through a democratic lens as opposed to a profit-seeking one. Additionally, it was important to find a way to incorporate industrial uses, which are less prevalent in the City, despite their versatility and good job creation potential.

Commercial market research is generally divided into three sectors – office, retail, and industrial. It takes into account factors like rents per square-foot, vacancy rates, existing square-footage/number of buildings, square-footage/buildings under construction in that sector, and net absorption. These indicators reveal whether there is a demand for a use in an area. Demand is an indicator of whether a use will thrive in an area, or if an area is oversaturated with that use. The net absorption (usually calculated over a one-year period) is particularly important for determining the supply and demand of uses, which can also help predict future uses; however, net absorption figures do not account for pre-leased spaces (space that a tenant has secured but has not yet moved-into), so decisions should not solely rely on this metric.

Commercial Real Estate Statistics for the Bronx, Second Quarter 2019

<table>
<thead>
<tr>
<th></th>
<th>Existing Buildings</th>
<th>Existing SF</th>
<th>Buildings Under Construction</th>
<th>SF Under Construction</th>
<th>Gross Market Rent PSF</th>
<th>Vacancy SF</th>
<th>Vacancy Rate</th>
<th>Net Absorption (12 month period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>587</td>
<td>13,250,000</td>
<td>4</td>
<td>595,000</td>
<td>$35.64</td>
<td>747,666</td>
<td>5.6%</td>
<td>-110,049</td>
</tr>
<tr>
<td>Retail</td>
<td>3,896</td>
<td>32,130,000</td>
<td>4</td>
<td>136,000</td>
<td>$42.51</td>
<td>1,241,645</td>
<td>3.9%</td>
<td>-10,370</td>
</tr>
<tr>
<td>Industrial</td>
<td>1,224</td>
<td>28,588,000</td>
<td>0</td>
<td>0</td>
<td>$17.81</td>
<td>1,413,418</td>
<td>4.9%</td>
<td>383,332</td>
</tr>
</tbody>
</table>

Source: “2Q19 New York Commercial Real Estate Report” (NAI Queens; CoStar Group)
Office Space

There is a negative net absorption of office space in the Bronx, indicating a decreasing demand for office construction. Even though this only accounts for space that is physically occupied, the vacancy square-footage of existing space outpacing construction supports this trend. Profit-motivated developers would be unlikely to pursue office construction. However, a goal of the CLT is to provide space for businesses in the area looking to relocate due to high rents, or to enterprises compatible with another business in the same mixed-use development. If the area is trending away from creating space for offices, it is important to preserve space as an outlet for existing businesses and small new businesses.

Retail Space

Retail sustainability is often volatile, so the 3.9% vacancy rate seemed low. A deeper dive revealed that there was a small uptick in retail growth in 2019 citywide and retail seemed to be making a comeback. Even so, this trend is not expected to continue well into 2020. There was a citywide increase in concierge services, urgent care, one-stop care facilities etc. which are classified as commercial storefronts, so this is also a possible explanation of why the retail vacancy rate is low. Also, to compete with online shopping, retailers were also looking to associate their stores with an experience. So, despite its uncertainties, retail (“neighborhood” and small with personal connections) would be a good option due to the area’s density and the CLT’s goal to offer below market rents.

A good portion of the commercial vacancy can be attributed to landlords’ unwillingness to lower rents. Additionally, since the negative net absorption indicates a shift away from retail and that landlords seem to be searching for marquee tenants that would bring “value” to the building instead of any tenant who can pay the rent, existing retailers could be more at risk of displacement. In light of this, preserving and creating space for current retailers as well as new retailers is essential.

Industrial Space

Although there were no industrial buildings under construction at the time this report was issued, the net absorption indicated that there is a demand for industrial space. Thus, industrial spaces would be a viable option for the CLT. It is important to note that an increase in demand could lead to a decrease in affordability, and that warehouse uses are classified as industrial uses in market research reports. Warehouses are not the industrial uses we want to pursue because they create low-paying jobs and there is little room for growth. Considering potential rent increases and an increase in the warehouse subsector, it is necessary to incorporate real industrial space into the proposal.

New York City Initiatives

Dylan Sandler, a Senior Planner at the NYC Department of Planning, indicated that the presence of food and beverage manufacturing industries in New York City is growing, and if they were small-scale, they could also be located in areas zoned for commercial uses. This provides flexibility in placement and could complement food, nutrition, and commercial kitchen community priorities. He also indicated that the City was looking to expand its support of life-science labs and are permitting them in commercial buildings in addition to industrial spaces. The life-science lab support stood out because it could lead to a potential partnership with medical or educational institutions in the area.

Rental Listings

The above trends have generally continued into 2020, as reflected in recent office, retail, and industrial listings. There is a decrease in office rents from about $35 per square-foot to $30 per square foot. Retail rents have decreased from approximately $42 per square foot to about $40 per square foot. Rents for the industrial space fall within $16 to $22 per square-foot, which indicates that while some space is still affordable, prices are rising due to an increase in demand.
1932 Arthur Avenue Development Proposal

We envisioned 1932 Arthur Avenue as a multi-functional community resource, providing much needed affordable housing, office and retail space to Bronx-based residents and businesses, as well as healthy food options to the larger Bronx community. Our goal for 1932 Arthur Avenue is to create a flexible program that maximizes affordable rents for its diverse tenants.

The 1932 Arthur Avenue site is located in the East Tremont Neighborhood, at the corner of East Tremont Avenue and Arthur Avenue (right by Tremont Park). The existing seven story building on the 1932 Arthur Avenue site was built in 1912, and has 123,802 square feet of gross floor area. This large building sits on a 27,936 square foot lot, which includes a 5,500 square foot parking lot adjacent to Belmont Avenue. Currently, this site is owned by the Department of Citywide Administrative Services.

This site exists partially in a residential district, and partially in a commercial district (C4-5X and R7-1). The portion of the building that exists along the East Tremont Avenue commercial corridor has the C4-5X zoning designation. The C4-5X zoning designation allows for uses such as: office space, most retail and service uses (including as grocery stores, catering, and community centers), and some regional commercial/amusement uses\(^3\), and the R7-1 zoning designation allows for medium density residential development\(^3\).

The zoning permits a maximum Residential FAR of 3.44, and a maximum Facility FAR of 4.8. The FAR of this building, As-Built, is 4.43, with 123,756 square feet of usable floor area (which exceeds the 96,100 allowable usable floor area). This building has a larger FAR than would normally be allowed because it was constructed before the current Zoning Resolution was written. The building is built beyond what FAR restrictions would typically allow, making it a better candidate for renovation rather than demolition and new construction.

Despite its impressive size, the building is largely underutilized- with only a handful of tenants, including offices for Community Board 6, the Bronx Human Rights Commission and the Department of Buildings. In order to maximize the chances of
this building being acquired by the Bronx CLT, our plans for this site need to take the needs and opinions of the current tenants into consideration. BCDI brought this site to our attention partially because John Sanchez, the community board 6 district manager, is a huge proponent of CLTs.

The site is also located within FRESH and Transit zoning overlays, which provide incentives for development. FRESH Zone overlays cover areas the DCP has identified as having limited access to fresh food. Developments within FRESH Zones that include certified grocers receive various tax and zoning incentives like an increase in FAR. Transit zone overlays indicate that the area is a relatively transit-accessible area. Developments within Transit Zones benefit from reduced parking requirements. The ground floor tenants will also have access to the unbuilt 5,500 square feet behind the building to use as a loading dock.

One downside of this site is that there are four potential hazards, including the bulk storage of petroleum and hazardous waste generators or transporters. These would have to be reconciled during construction. Still, the benefits of this site outweigh these hazards, making it an ideal candidate for the Bronx CLT’s equitable development vision.

Site Programming

In a seven-story, 123,802 sq ft. building, we had plenty of space to program the site with both residential and commercial uses. Our development proposal focuses on rehabilitating the interior of the existing building to serve the community in ways that align with our client’s goals. Based on community input, the zoning code, neighborhood indicators discussed above, and site specific conditions, we prioritized urban farming, affordable housing, and affordable commercial and office space in our site programming. Our development proposal for 1932 Arthur Avenue has the potential to create over 26.5k square feet of affordable retail and office space, support over 70 new jobs, and add 76 new affordable housing units to the area.

The ground floor will accommodate a FRESH-certified grocery store and a retail tenant. Each of these ground floor tenants will have 7,959 rentable square feet. This Grocer anchor tenant will not only bring essential healthy food options to the area, but will also sell some of the fresh produce grown in the rooftop garden (for a more comprehensive discussion of rooftop gardens). Because of the FRESH designation, the project will be exempt from paying the sales tax on materials used to renovate this space, allow for a mortgage recording tax deferral, and reduce parking requirements. The ground floor tenants will also have access to the unbuilt 5,500 square feet behind the building to use as a loading dock.

We intend to retrofit the second and third floors of the building to serve as office space. The second floor is set aside for government offices, since the CLT’s acquisition of the property from DCAS would likely involve a conditional clause requiring government offices that currently occupy the building to remain. The third floor will feature affordable office space: half of which will be offered to tenants at 90% of market rate rents, and the other half offered at 80% of market rate rents.

The retail and office space on the ground and third floors were programmed as “affordable” (leased at below-market-rate rents) in order to support the many small businesses, entrepreneurs and nonprofits that struggle to pay the ever-rising costs of renting space in the Bronx. High rents prevent budding small businesses and entrepreneurs from getting off the ground, and even threaten existing businesses or nonprofits with more modest operating margins. This affordable rental space will help reduce the start-up costs for businesses, and combat the displacement of small operations. If the Bronx CLT were to acquire the 1932 Arthur Avenue site, they would be able to set rent at affordable levels for the Bronx community.

We propose that the 4th through 7th floors of the building be dedicated to affordable housing, with all units being offered to renters making between 30% and 80% of the AMI. Our proposal includes a mix of studios, 1 bedroom, 2 bedroom, 3 bedroom, and 4 bedroom units. Table 1 (seen below) outlines the number of affordable units at the various affordability levels, based on the sample residential floor plan layout depicted in Figure 1. Table 2 shows rents at the different levels of affordability according to the Low Income Housing Tax Credit measures. In our proposal, 50% of the units are available for very low income
and extremely low income tenants. Our original plan did not include any units above 60% of the AMI, but we had to change some of the units to 70% and 80% of the AMI in order to subsidize the deeply affordable units. After the Bronx CLT pays off the loans and debts accrued during the acquisition and early years of operation, they will have the option to adjust the affordability levels and rents of the residential units on the site, and to transition to an affordable co-op model.

In order to use both commercial and residential funding sources without restrictions, we apportioned the building into a residential condominium lot and a commercial condominium lot. Treating the building as two separate lots allows for the concurrent use of residential and commercial funding mechanisms, such as LIHTC and New Market Tax Credits, without restrictions. Funding for the affordable housing condominium lot largely came from the Low Income Housing Tax Credit program (LIHTC) at 4%, and a mortgage through the Department of Housing and Preservation’s Extremely Low-Income Affordability Program (HPD ELLA). Our proposal utilizes a combination of discretionary dollars from local elected officials and crowdsourcing to fill the residential financing gap. We propose funding the commercial condominium with New Markets Tax Credits, low interest loans from a Community Development Financial Institution, discretionary funds, and a combination of grants and foundation contributors.

Table 1: Residential Unit Mix

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># of Units</th>
<th>Our Space*</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>1 Bed</td>
<td>28</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td></td>
<td></td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>2 Bed</td>
<td>24</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>0</td>
<td></td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>3 Bed</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>4 Bed</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td>2</td>
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<tr>
<td>TOTAL</td>
<td>76</td>
<td>11</td>
<td>12</td>
<td>0</td>
<td>15</td>
<td>2</td>
<td>4</td>
<td>32</td>
</tr>
</tbody>
</table>

* “Our Space” units (part of NYC HPD’s Our Space Initiative) are rental units available to formerly homeless households whose incomes are at or below 30% AMI.¹

Table 2: Residential Rents

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Our Space</th>
<th>30% AMI</th>
<th>40% AMI</th>
<th>50% AMI</th>
<th>60% AMI</th>
<th>70% AMI</th>
<th>80% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$215</td>
<td>$397</td>
<td>$567</td>
<td>$738</td>
<td>$909</td>
<td>$1,080</td>
<td>$1,250</td>
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<tr>
<td>1BR</td>
<td>$283</td>
<td>$503</td>
<td>$717</td>
<td>$930</td>
<td>$1,143</td>
<td>$1,356</td>
<td>$1,570</td>
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<tr>
<td>2BR</td>
<td>$425</td>
<td>$598</td>
<td>$854</td>
<td>$1,110</td>
<td>$1,366</td>
<td>$1,622</td>
<td>$1,878</td>
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<tr>
<td>3BR</td>
<td>$512</td>
<td>$683</td>
<td>$978</td>
<td>$1,274</td>
<td>$1,570</td>
<td>$1,865</td>
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<td>4BR</td>
<td></td>
<td>$1,148</td>
<td>$1,477</td>
<td>$1,807</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Urban agriculture can greatly benefit communities and cities. Small-scale farming helps mitigate public health issues, provides stronger food security, brings communities closer together, and supports economic development.

Urban farms have many different forms. For example, a nonprofit or neighborhood group may identify a vacant site to start a community garden or a site with an existing building that can be retrofitted to accommodate a small urban farm. The food grown from the farm can be sold to local restaurants and farmers markets, or given to local soup kitchens or churches. This farm-to-table agriculture creates a circular economy within a community while also contributing to a wealth of benefits along the way.

New York City has a rich history of urban agriculture, especially in the Bronx where communities responded to disinvestment through collective action around gardening on vacant lots. While the City has helped the movement through the Greenthumb program at the Parks Department, there is still room for growth. Most recently, Councilmember Rafael Espinal and Borough President Eric Adams looked to pass legislation that would require DCP to create a comprehensive urban agriculture plan to better land use and policy decisions around food production and distribution. Unfortunately, this got watered down into a website that provides useful resources for urban farmers but does not address any structural concerns about displacement of community gardens or limitations on their ability to sell produce.

Still, zoning permits urban agriculture in a wide range of zoning districts in NYC, including residential and manufacturing districts. While there are limits in the current framework, there is still plenty of opportunity for BCDI and NWBCCC to explore urban agriculture as a complementary component of a democratic economy.

There are several ways an urban farm may benefit
stakeholders of the Bronx Community Land Trust. It is well known that the Bronx suffers from high concentrations of pollution from the many freeways that run through the borough. By developing an urban roof farm, the Bronx CLT would be participating in reducing carbon emissions by localizing produce. Urban farms significantly lower the amount of fossil fuel consumption needed to package, transport, and sell food. Farms create opportunities for community involvement through volunteer and job opportunities. With consumers in close proximity to the farm, the local economy becomes stimulated by circulating income throughout the region while supporting low-income residents by stabilizing food costs. Urban agriculture also helps to increase food security by harnessing mutual aid in efforts to support the local community’s under-served residents.

While the Bronx CLT may want to operate a farm on the roof of 1932 Arthur Avenue as a community project, it may also consider generating revenue from it by selling produce to local partners and friends, or lease the garden to a compatible organization. An example of a successful commercial agriculture farm is Gotham Greens, a fresh food farming company growing produce year-round in sustainable greenhouses located in cities across the United States. Their system of local produce cultivation and regional distribution allows Gotham Greens to deliver their produce supply quickly. Gotham Greens is a venture capital-backed company that was founded in Brooklyn, New York in 2008 by members who had a “vision for a local, high-tech urban farm that could transform how New Yorkers could source their fresh produce year round.” It is the first commercial scale rooftop greenhouse facility to have integrated into a supermarket in the US.

Below is a list of resources for further research about funding and finance options:

- U.S. Dept. of Agriculture, Grant and Loans: https://www.usda.gov/topics/farming/grants-and-loans
- Northeast SARE: https://www.northeastare.org/
- Green Thumb: https://greenthumb.nycgovparks.org/
When financing mixed-use buildings it might be helpful to explore creating a condominium. A condominium is a single building with different unit owners; in this instance the CLT would own and maintain control of both units. There are two reasons for this. First, it will allow the CLT to draw from a greater variety of funding sources. Some loans and tax credits will either only cover certain uses (i.e. commercial or residential), limit the percentage of the floor area of a use that is not the primary subject of the funding source, or will not permit developers to use sources concurrently. Second, it will allow the CLT to be exempt from real estate taxes on non-taxable portions of a project. These advantages are illustrated in the scenarios below.

**Subsidy maximization scenarios:**

The CLT is looking to finance an affordable mixed-use residential and commercial development and decides to use Low Income Housing Tax Credits (LIHTC) to fund the residential portion of the project. If treated as one building, only ten percent (10%) of the project’s eligible costs could be used to build the commercial space, and up to twenty percent (20%) of the income derived from the project could be generated by that commercial space. Creating a condominium would allow you to separate the commercial and residential uses so the commercial costs and income would have no effect on the LIHTC financing for the residential portion. The commercial space could then be eligible for other funding sources.

**Tax exemption maximization scenario:**

The CLT is building a mixed-use project with affordable housing and some community facility space for the tenants, using LIHTC as one of your funding sources. The ownership structure makes the CLT eligible to apply for a 420-c Tax Exemption. However, none of the non-residential space would be subject to the exemption. In other words, the CLT would still have to pay real estate taxes on the non-residential portion of the building. A condominium apportionment would separate the residential and non-residential portions of the building. As a result, all of the residential space would be exempt under 420-c, and the non-residential lot(s) could be eligible for other real property tax exemptions/abatements depending on the use and applicable program requirements (i.e. NYC Industrial Development Agency, Industrial and Commercial Abatement Program etc.).

**Concurrent Residential and Commercial Funding Scenario:**

The CLT plans on using New Markets Tax Credits to help finance an affordable mixed-use residential and commercial development. New Markets Tax Credits cannot be used in conjunction with LIHTC, which would help finance the residential portion of the project. To use both programs the CLT would have to create separate condominium lots for the residential and non-residential uses. Based on conversations with Arturo Suarez and Thomas Mitchell, who work on residential and commercial projects for the Local Initiatives Support Corporation, we decided it would be best to approach financing the 1932 Arthur Avenue site through the condominium apportionment strategy.

*Note, condominium creation requires approval from the Attorney General’s Office and subsequent approval from the New York City Department of Finance for tax lot assignments. Since the process is cumbersome, we recommend looking into engaging a consultant. A brief outline of the process can be found on the NYC Department of Finance’s website: [Condominium Apportionment and Approval Process](#).
VII. Third Avenue Development Proposal

At 4006 3rd Avenue we imagined a space that could provide an affordable home for a variety of tenants, from life science labs to catering, and food manufacturing. Our goal for 4006 Third Avenue is to create a program that lends itself to flexibility and variety, while providing much needed affordable rental space for new and existing Bronx businesses.

The site is located in the Bathgate Industrial Business Zone on the corner of Third Avenue and 174th Street in Claremont and is currently owned by the NYC Economic Development Corporation. At this time, the site is subleased to the Port Authority of New York and New Jersey, but appears to be vacant. The site is located within a M1-4 zoning district, which permits light manufacturing, commercial activity and community facilities as of right. Allowable uses include food manufacturing, garment and jewelry making, repair shops, wholesale service and storage, offices, hotels and most retail uses. Most industrial uses that meet the performance standards for M1 zones are also permitted.

The building itself is a 30,000 square foot, two story structure built in 1986. The building has large windows on the ground floor and 11 foot ceilings. Since the building’s ceilings are low and its status as a newly constructed building indicates a lower load-bearing capacity, manufacturing would be best suited on the ground floor and uses requiring heavy or large machinery would not work in this space.

The site has a 9,000 square foot parking and loading area in the rear. As built, the floor area ratio (FAR) of the building is 1.23. There are 18,820 square feet of unused FAR that could be potentially developed on the existing structure or in the parking area. The unused FAR could also be sold as air rights to an adjacent lot. In 2017, in Manhattan, the price of air rights was $225 per square foot. Assuming that price is still applicable in 2020 and in the Bronx, the Bronx CLT could stand to make $4,234,500 by selling their air rights. In addition, there are two potential hazards on the site due to hazardous waste generators or transporters.

Our recommendation for this site is to fully rehabilitate the building’s interior. The first floor will be outfitted for light manufacturing use, such as food manufacturing, as well as a catering space. The second floor will be equipped for commercial office space and a life science laboratory or medical office. Each floor will be subdivided into two spaces with 6,750 of rentable square feet for each use. Within each 6,750 square foot space the client could choose to subdivide further in order to support the needs of more tenants and businesses.

Food manufacturing and catering uses will be located on the ground floor to ensure easy access to the rear parking area for deliveries. We recommend co-locating food manufacturing and catering on the ground floor to encourage a shorter supply chain and synergy between businesses. For example, food prepared in the manufacturing space could be sold for distribution to the catering company.

Considering the multiple medical and educational institutions in the area and a community focus on health, we believe that incorporating a life science lab into the program presents the
opportunity for a university or medical partnership. This partnership would provide significant funding for the building in the form of higher rents or supportive grants, making it feasible for other uses in the building to remain affordable and under community control. In addition, a community-minded life science lab space coupled with an institutional partnership will help to provide internships, training, and good paying jobs in STEM fields for local youth and adults.

By co-locating these diverse uses in the same building, the Bronx CLT will be able to appeal to a wide array of businesses when it comes time to lease up the spaces. In addition, the Bronx CLT will be able to invigorate the surrounding community with good paying jobs as well as increased business activity from new industries. The proposed tenant mix for this development could bring close to 80 good quality jobs to the community.

To finance this project we recommend applying for a construction loan from LISC and a permanent loan from the NYCEDC Industrial Development Loan Fund, in addition to subsidies from the Empire State Development Fund. Also, we suggest applying for Community Development Block Grant funds, City Council Neighborhood Development Grant Initiative funds, and discretionary dollars from the Bronx Borough President’s Office. The building is located in a qualified opportunity zone which is attractive to equity investors interested in working with BCDI and the Bronx CLT. It is important to note that commercial and industrial uses are harder to make affordable because of the relative lower rents earned and the weaker ecosystem of funding programs for these uses. Subsidies and loans combined with fundraising from NWBCCC members, private donors, and crowdfunded donations will be necessary to make financing an 100% affordable mixed use space possible.
2205 Sedgwick Avenue is an underused lot located in University Heights, owned by the New York State Dormitory Authority. The site's current R5 zoning designation permits the construction of three to four story attached homes as of right, a maximum floor area ratio (FAR) of 1.25 with a height limit of 40 feet. Adjacent to the lot is a wooded parcel owned by the NYC Parks Department, and there are several commercial C2-4 and M1-2 zoned lots at the rear. To the north and south of the site are other R5 and R7 zoning districts, with a mix of elevator and walk-up apartment buildings as well as one and two family homes. The Altschul House, a small 3-story building that is home to an Early Childhood Center run by Bronx Community College, sits on the flat portion of the lot. Aside from this structure, the lot is vacant. The site is within close proximity to the Bronx Community College's main campus, just .2 miles from the campus entrance.

During the site selection process, our team was interested in 2205 Sedgwick because of the size of the lot. With 48,000 square feet of land and 54,720 square feet of unused floor area, we saw potential for a mixed use development with higher residential density, open space, and community amenities. While the sites on Arthur Avenue and Third Avenue were renovations of existing buildings, the Sedgwick site presented an opportunity for large-scale new construction.

However, the hilly terrain and zoning restrictions at Sedgwick introduced challenges. With a ground elevation of 126 feet, the majority of the lot is heavily wooded with a rocky topography. In order to build new construction on the lot there will need to be excavation and grading of the land. Depending on the size of the construction and the amount of land that needs to be excavated, this could become extremely costly and hinder development options. In addition, with an R5 zoning designation, new construction would be limited to small residential structures.

The challenges presented by the Sedgwick site can be found elsewhere in the Bronx, on vacant and underused hillside lots in lower density zoning districts. In order to address these challenges, the site analysis team conducted a zoning analysis to explore an increase in the allowable density from R5 to R7 to allow for more housing. This analysis will serve as a model for what higher density hillside development can look like.
A contextual increase would be a change from an R5 zoning designation to an R7 zoning designation that adjusts for a sloping base plane. Height factor R7 districts permit medium density apartment buildings, and if applied to the Sedgwick site, this could allow for a taller building with less lot coverage and more open space. The R7 designation would allow for FAR between 0.87 and 3.44, depending on lot coverage and building height. Also, community facilities are allowed as of right in all R7 districts.

Upzoning the site would be a multistep process that would require community support, political backing, and buy-in from the city agencies involved. The site is located within Council District 14, and the current council member, Fernando Cabrera, is a moderate Democrat in his last term. The support of the local council member, as well as the community board, will be integral to this development. With vocal support from the council member and community board, the proposal will have a solid foundation. Keeping that in mind, the Bronx CLT should be proactive in their organizing, looking ahead to build momentum around local candidates and community leaders that are supportive of CLTs, affordable housing, and economic democracy.

A zoning change is bound to face pushback from neighbors, both individuals and institutions. The site is located within the Bronx Community College campus area, so it can be assumed that any major development on the site will spark involvement with the college. Engagement with college leadership as well as students will be necessary for the project to move forward. This also presents an opportunity for partnership between the Bronx CLT and BXCC. Building up support from within the BXCC campus will be key, as will backing from nearby residents. To prevent NIMBYism, the Bronx CLT should communicate early with the surrounding community, clearly expressing their goals for the site. Concerns about traffic, construction noise, school overcrowding, and neighborhood change in general will be inevitable. It is imperative for the Bronx CLT to frame the upzoning as the impetus for community-driven and community-benefit change in the neighborhood, and as a project that will help bring much-needed affordable housing to the Northwest Bronx.

There are two methods the Bronx CLT can use to get approval for the upzoning. The first is a spot rezoning. A spot rezoning occurs when an application for a specific parcel is made because of its location within an area that is at odds with the current zoning restrictions. A spot zone is considered “not legal for the sole benefit of one property owner.” However, it is achievable if it is for a positive and viable cause, and is a common practice. The NYC DPC is likely to approve a spot rezoning for Sedgwick because the upzone would be providing the community multiple benefits.

The second method for the Bronx CLT to consider is a zoning variance through the Board of Standards and Appeals (BSA). When applying for a zoning variance, a case for an economic hardship must be made. Some form of obstacle to development or hardship must be demonstrated, such as the owner’s being unable to make a
reasonable return based on existing conditions. In the case of 2205 Sedgwick Avenue, there is a steep slope which could create extra costs in building. Acquiring a zoning variance through the BSA will be more difficult, however, because of the difficulty in proving an economic hardship.

A land use study is likely needed in order to understand the surrounding area. Since there are currently R6 and R7 buildings surrounding the site, it is reasonable to argue for an upzoning of this site to R7.

Site Proposal for 2205 Sedgwick Avenue

In accordance with our zoning analysis, we propose a mixed-use, ten-story affordable senior housing building with ground floor urgent care and day care facilities and a rooftop garden facility for 2205 Sedgwick Avenue. The full site plan includes the refurbishment of open space on the site for public use. This site would be an asset for the Bronx Community, providing a holistic mix of uses for residents and the wider neighborhood.

The ground floor commercial spaces will be occupied by a community urgent care facility and Bronx Community College's daycare previously located in the Altschul House. Medical offices and other hospital related uses are in great demand in the Bronx. Developing a community urgent care facility would offer a new source of accessible healthcare for senior tenants of the building and others in the community in need of care. The Daycare facility, while likely required by any development plan, would promote an intergenerational building. It also could enable an intergenerational programming that brings together the seniors in the building with the kids in the daycare at

Development Proposal for 2205 Sedgwick Avenue. Diagram by Moises Reyes Vargas
the rooftop garden facility or the adjacent open space. It is important to note that the day care would have to temporarily close during construction, so a relocation plan would be necessary.

Floors 2-7, 9 and 10 are designated to affordable senior housing, which the Bronx CLT community identified as a priority. Seniors often face challenges affording increasing housing costs due to their fixed incomes from social security and other retirement sources. Providing new and permanently affordable units can help ameliorate this challenge while building a tightly knit community. New construction would also ensure that the building is made to be fully ADA compliant so that the tenants can easily navigate their own homes. The construction of senior housing on the Sedgwick site would not put pressure on the local school system, which is a common rationale for opposition to increasing density. Programs like Senior Affordable Rental Apartments (SARA) from HPD can help make the senior housing 100% affordable for the newly rezoned R7 site.

Lastly, with a newly developed rooftop garden and a designed and accessible open space at street level, 2205 Sedgwick Avenue will provide additional amenities to the community. The University Heights neighborhood has a higher than city average of fine particulate matter air pollution. Open space and preservation of some trees would be important to include in a master plan to mitigate existing poor air quality conditions as the site is in close proximity to the Major Deegan Expressway. With the surrounding wooded area, the NYC Parks Department could activate the site for the use by the building’s residents, the children enrolled in the daycare center, and the wider community through an ADA accessible but multifunctional park design that offers something for all ages. The rooftop offers an opportunity for a farm which could supply locally sourced food for the community. The rooftop farm would provide environmental education for the children in the daycare, and could encourage an intergenerational horticulture program that brings together the seniors in the building with the kids in the daycare.

It is important to work holistically for the community, and this proposal achieves that by creating new affordable senior housing, a new community health facility, and new open space. This process would take at least two years. The zoning change would require a timely (and potentially costly) environmental review, and the Bronx CLT would need to get approval from the NYC Department of City Planning (NYCDCP) before any further procedures may begin. That being said, with committed organizing and planning, this site could become a major asset for the University Heights area.
IX. Barriers & Challenges to Developing the Sites

Our in-depth research into each site has prepared us with valuable knowledge of the unique challenges and opportunities that will either help or hinder the Bronx CLT if they are to pursue the proposed developments. There are advantages and disadvantages for all three sites at each stage of the development process, from pre-development, to construction, financing, and the long term operation of each project.

4006 Third Avenue

- Acquiring the site from NYC EDC may be difficult as the space is currently subleased to the Port Authority of NY and NJ and we do not know the current lease terms or the number of active tenants.

- Financing this project will require subsidy from NYC EDC and the Empire State Development Fund. These funds are incredibly competitive and are not as abundant as subsidies for housing.

- The floor loading capacity is unknown.

- It is unclear if the building has an elevator. In order to be ADA compliant it may be necessary to install an elevator in the building, which will be an added cost.

- The site is located in a transit desert and is not well served by subways or buses. The closest train station is the Tremont Metro North station.

- Unused FAR could be built out on top of the existing building, in the rear parking area, or the air rights could be sold to an adjacent lot.

1932 Arthur Avenue

- Financing this project will require multiple HPD subsidies as well as LIHTC equity for the residential units, and NMTC equity for the commercial and retail spaces. Acquiring tax credits will incur costly legal and accounting fees.

- HPD Apartment Size Regulations will be difficult to apply due to the length and width of the floor plates. The apartments will be slightly larger than HPD recommendations in order to provide adequate light and air to the units.

- Creating two condo lots will make financing the project easier, but will incur additional costs from legal fees.

- In converting the building from office space to residential, retail, and commercial uses there will need to be an overhaul of the heating, cooling, plumbing, and electric to supply utilities to all of the units.

- If using HPD subsidy and loan programs the Bronx CLT will have to figure out a way to fill the units with local people interested in the CLT model, not through the housing lottery. The current structure of the NYC housing lottery is not compatible with the desire for the Bronx CLT to ensure that community residents and individuals interested in the CLT model are priority for the new units.

- Existing city office tenants will remain in the new development and will need to maintain their space during construction.
• Green roof maintenance and care will require organizing within the CLT community and buy-in from tenants.

**2205 Sedgwick Avenue**

• The lot is zoned for R5 which does not permit high density apartment buildings. A zoning change to R7 will be required to build a taller and more dense building on the site which will be costly, require local buy-in from the community, as well as the support of local elected officials and the Department of City Planning.

• Upzoning the lot and adding residential density will inevitably cause some political backlash from local organizations and elected officials. Community organizing and stakeholder engagement will be key for the Bronx CLT in developing this site.

• Since this project will be new construction, the costs will be significantly higher than the rehab projects.

• The site is not well served by subways, buses, or the Metro North.

• The terrain is hilly and would require excavating and leveling which is expensive.

• The proximity to BXCC could either be a great opportunity for partnership, or the college may not support the development and could apply pressure in opposition of the development.

• The Altschul House is currently used as a daycare center. This use may have to be sustained throughout the development process and included in the new development.
Policy Recommendations
I. Introduction

The Property Research and Site Analysis teams have demonstrated that there is municipally owned property in the Bronx that the Bronx CLT could effectively steward for community benefit. In this section, the Policy team will explore some of the larger questions and challenges of building a Bronx-based, mixed-use CLT from the ground up and provide some recommendations based on our research. First, we will provide key takeaways from case studies, followed by an evaluation of available funding sources, then dive into governance structure recommendations, and finally provide suggestions for NYC policy and organizing priorities for NWBCCC and BCDI. While not exhaustive, these recommendations will hopefully serve as a jumping off point as the Bronx CLT grapples with the promising but untested future of mixed-use CLTs in New York City.

Overview:

The Bronx is gentrifying at a rapid rate, fueled by the interests of for-profit developers. As a result, many Bronx residents are being priced out of their homes by rising real estate values, and have little say in what gets built in their neighborhood. In addition, the repercussions of COVID-19 can potentially reshape the Bronx, further challenging the communities attempting to organize against the for-profit development that is continuing despite the pandemic.

To combat these challenges, BCDI and NWBCCC established a community land trust in the Bronx, removing plots of land from the speculative market and providing affordable commercial, manufacturing and residential space to Bronx residents. This mixed-use CLT will need to effectively oversee for-profit commercial and manufacturing businesses on its land, while maintaining a strong commitment to community governance and maintaining affordability. It is crucial to identify the degree to which Bronx CLT will involve the community in decisions of use and governance, while also upholding their mission of community ownership and economic democracy.

Many mixed-use CLTs throughout the United States have wrestled with these questions, with varying degrees of success. Commercial CLTs like those in Anchorage and Albuquerque have failed to involve their communities in their ownership structures, and others like Rondo, Burlington and Cooper Square have wrestled with these challenges as well. Bronx CLT will need to effectively balance operating a fiscally sound CLT composed of for-profit businesses, and staying true to values of community control and bringing community-owned businesses back to the Bronx.

COVID-19

In New York City, the COVID-19 outbreak should not be seen as an equalizer among race, ethnicity, and socio-economic class. As New York City’s poorest borough, with over 50% more Black and Latino residents than Manhattan and home to the most impoverished congressional district in the country, experts believe the higher rates of coronavirus-related deaths and infections in the Bronx is a reflection of the city’s deep racial and social disparities.

As the virus sweeps through the Bronx, disproportionately killing Black and Latinx residents, it is important to consider the effect the virus will have on the structure and goals of the Bronx CLT. According to the U.S. Bureau of Labor Statistics, of Americans making less than $33,000 a year, of which there are many in the Bronx, only 9% of people can work from home. This statistic illustrates the impossible choice Bronx residents had to make between staying home or taking the additional risk of continuing to travel to work during a pandemic. Future CLTs in the Bronx should consider developing, managing, and leasing commercial and manufacturing space to organizations that will
provide higher paying wages and greater flexibility
to employees regarding leave and work from home
benefits.

Future mixed-use CLTs in the Bronx should also
consider the importance of manufacturing capa-
bility within New York City’s five boroughs. Ac-
cording to the New York Times, between March 1
and May 1, roughly 5% of city residents fled from
NYC due to the Coronavirus. Neighborhoods such
as the Upper East Side, the West Village, SoHo,
and Brooklyn Heights, experienced a population
decrease of over 40%. However, the majority of
Bronx neighborhoods saw a decrease of less than
10%, with the Belmont and Riverdale neighbor-
hoods being outliers. Future CLTs should not only
consider providing the Bronx with the greatest ac-
cess to personal protective equipment (PPE) be-
cause of majorities of the population did not flee the
city, but also because over 17% of New York Cit-
ies essential employees, including grocery store
employees, transit employees, cleaning person-
nel, and healthcare workers, are coming from the
Bronx. Future CLTs should not overlook the impor-
tance of a production facility focusing on PPE for
these paramount reasons.

II. Case Studies

Ten case studies served as the foundation for the
CUNY Hunter College Spring Studio’s policy team.
We honed in on seven of the most relevant case
studies and included them below. These case
studies were critical in grounding the team’s un-
derstanding of the mixed-use CLT landscape in the
U.S. and in making actionable recommendations
for the Bronx CLT. Initially casting a wide net, the
team narrowed down the field to include residen-
tial and mixed-use CLTs, as well as several non-
profit organizations committed to economic devel-
opment and good job creation through affordable
industrial property. Below, please find the high-lev-
el takeaways that informed the policy team’s re-
search and recommendations regarding funding,
governance, and new policies to consider.

Mixed-use CLTs are rare.

The Bronx CLT is navigating relatively uncharted
territory by targeting affordable retail, office, and
industrial space instead of residential properties
only. Usually if a CLT owns non-residential property,
it’s for the purpose of cross-subsidizing residential
units, as Cooper Square has done successfully for
decades in New York City. The Bronx CLT’s arrival
on a new frontier in the CLT world adds challenges
as well as opportunities for the organization. Fort-
unately, the Rondo CLT (“Rondo”), the Anchorage
CLT (“Anchorage”), and others have shown that
stewarding affordable commercial and urban ag-
riculture space as a CLT is possible.

Technical expertise and partnerships are
critical.

Whether within the organization or through out-
side partnerships, technical expertise is key to a
variety of essential functions of a CLT. In the case
of New Mexico’s Sawmill CLT (“Sawmill”), in-house
technical expertise has grown the urban agricul-
ture program, while the Department of Housing
and Urban Development’s investigation into their
residential sales practices temporarily set back
some of Sawmill’s operations. In the case of Ron-
do, the CLT credits their developer partner with
providing the technical knowledge necessary to
apply for LIHTC credits. Whether in partnerships
with developers and property managers, or with
program operations within BCDI or NWBCCC’s
own capacity, it is essential to identify and culti-
vate relationships with those who have the nec-
essary experience to shepherd mixed-use projects
with complicated financing through the construc-
tion and operation process.

Deep community ties count.

Success begins with building community interest
and advocating for what benefits the community.
The Fruit Belt CLT (“Fruit Belt”) in Buffalo, New
York, led an effort to enact a moratorium on the
disposition of publicly-owned land until they could create a plan to acquire several vacant parcels. This impressive feat was only possible through the strong community-led push to organize against impending gentrification. Similarly, Rondo translated its decades of community involvement into high degrees of trust from residents to build a mixed-use project. NWBCCC’s deep ties to the Bronx and deep involvement in the Bronx CLT bode well for the prospects of future mixed-use projects.

**Nonprofits other than CLTs offer financial models.**

Finally, because industrial development by CLTs is so rare, we consulted with those associated with organizations like the Greenpoint Manufacturing and Design Center (GMDC) and the Point’s Peninsula project. Conversations with these New York City-based nonprofits proved that it’s possible to secure funding for complex mixed-use projects and, in GMDC’s case, sustainably provide below market-rate manufacturing space over the long term.

**Rondo Community Land Trust**

- **Overview:** Rondo is a mixed-use CLT located in St. Paul, Minnesota. Much of the CLT’s portfolio consists of the residential ground leases commonly seen in CLTs, but more recently Rondo branched out to build two mixed-use buildings with commercial tenants and affordable senior housing.

- **History:** Rondo was incorporated in 1993 and originally focused on affordable housing. It was named for Rondo Avenue, a commercial corridor in a predominantly African American community that was destroyed by a highway construction project. A local planning steering committee started RCLT as a means of addressing “issues of blight and absentee landlordism in and around the historic Rondo neighborhood.” Following financial strain from the Great Recession, Rondo looked to diversify and strengthen its organizational stability as well as fulfill its cultural preservation mission by expanding commercial space. This move also aligned with its objectives to protect against displacement by incoming gentrification to the Rondo neighborhood and preserve local culture and community ties by creating and maintaining long-term affordability of space for Black-owned businesses. In 2019 Rondo completed a $13.2 million mixed-use project called the Selby Milton Victoria Project (“SMV”), two buildings with 7 commercial units and 34 affordable senior residential units.

- **Governance:** Rondo is governed by a typical tripartite board structure. For the SMV project, Rondo partnered with Community Housing Development Corporation in order to gain access to specialized funding sources like LIHTC. Rondo prioritized affordability of their commercial space by surveying small business owners in the area and setting rent at levels owners reported they could afford. Commercial tenants also had assistance from Rondo to build out their space according to their specifications. Rondo staff credit the widespread community support for SMV based on their decades-long roots by and for the community and active engagement before the project even began. Rondo aims to build its commercial tenants’ wealth through profit sharing. After two years of fully leasing up all of the commercial spaces, Rondo plans to split any excess rental income left after servicing debt, paying for the operations, maintenance of the building, etc. among the commercial tenants. This will only occur once the Selby Milton Victoria Project is more financially secure, and will also act as an incentive for the commercial tenants to ensure that the commercial spaces are fully leased up, since the profit sharing will only
be triggered by no vacancies.63

• **Challenges:** Diversifying Rondo’s portfolio to include mixed-use buildings and taking on the new responsibility of acting as a commercial landlord requires new skill sets and navigating issues that are unfamiliar to many CLTs. In addition, the uncertain landscape small businesses face in the COVID-19 will undoubtedly test the financial stability of the new SMV project.

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**Sawmill Community Land Trust**

• **Overview:** Sawmill Community Land Trust serves income-qualified individuals and families in Bernalillo County, New Mexico. They offer a mix of market-rate and affordable homes for sale in their flagship development, Arbolera de Vida. The majority of homes are targeted to first-time homebuyers who earn 80% or less of the Area Median Income (AMI). They have three affordable rental apartment complexes that are geared to those who earn 40%-60%, of the AMI.64

• **History:** Sawmill CLT replaced the Sawmill Community Development Corporation as the development arm of the Sawmill Advisory Council (SAC). In 1999, the Sawmill CLT won a development bid from the city of Albuquerque to plan and redevelop a 27-acre former factory site, which includes affordable housing, economic development opportunities, and a forthcoming community garden. The community decided to set aside a few acres specifically for economic development, and that area is now home to a few small businesses including a coffee shop and a brewery.65

• **Governance:** Sawmill uses a commercial ground lease governed by an LLC made up of Sawmill and a for-profit developer. They do not use 99 year leases for their commercial spaces, which gives them more control over the transfer of the lease for tenants. Rents from these commercial leases support CLT homes, which are either rented or purchased. Additionally, Sawmill CLT secured urban agriculture land through fee simple ownership, which was strengthened by government support for the development project. Sawmill CLT has in-house staff with extensive experience in running a community garden program, which enabled the organization to directly handle the development of a future community garden site.

• **Challenges:** In December 2017, the City of Albuquerque, which manages HUD funds, sent a letter to the Sawmill Land Trust Board ordering them to stop all home sales, citing in part a “shortage of affordable homeownership.” Because Sawmill CLT was receiving HUD funding, they were out of compliance, which trapped homeowners in their homes and froze all new purchases. This issue has now been resolved.66

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**Anchorage Community Land Trust**

• **Overview:** Anchorage Community Land Trust (“ACLT”) manages five commercial properties, leasing them out to approved community-based tenants for below mar-
They offer quality space at a discounted rate, operating as a mission-driven commercial landlord. The funds ACLT earns through leasing out properties helps support the operational overhead of the organization.67

- **History:** Established in November 2003, to promote educational, social, and cultural opportunities for the citizens of Anchorage, and to minimize community deterioration in their neighborhoods by promoting the development, rehabilitation, and maintenance of available land in distressed areas of Anchorage.68

- **Governance:** The ACLT is run by a staff of six people and has an average annual operating budget of $1.5 million. Their total net assets are valued at over $10.8 million.

- **Key Informants:** The Policy Team was able to speak with the ACLT’s Director of Finance, Stuart Bannon, who informed the group that the mixed-use CLT model worked particularly well in the city of Anchorage because land is cheap and easy to access. According to Bannon, although land is cheap, access to quality commercial space is expensive, and providing that at a deeply affordable rate to community-based businesses was the goal of the organization.

- **Additional Information:** In addition to managing these commercial properties, ACLT also leads two community programs: Set Up Shop and Grow North Farm. The Set Up Shot program provides local entrepreneurs with not only lending, but also support services and technical training.69 The Grown North Farm program provides incubator space for the Mountain View neighborhood of Anchorage. The farm itself is tended to by 20 refugees while the space surrounding the farm serves as an area for Community showcasing and meeting space. The farm also hosts open air markets in the summer where emerging vendors can sell goods and entertainment and community events take place.70

Greenpoint Manufacturing & Design Center

- **History:** Greenpoint Manufacturing and Design Center is a nonprofit that was incorporated in 1992, and began with the purchase and redevelopment of a 360,000 square foot industrial complex on Manhattan Avenue in Greenpoint. The City of New York had repossessed this building from its owner due to tax delinquency, but several tenant companies remained in the building. These tenants organized and formed a partnership with a mission-driven private developer who was prepared to take on the rehabilitation of the building. The city transferred the building at a cost of $1. GMDC

Formerly a run-down pawn shop, this building was acquired by ACLT in 2012. The east side of the building has become studio space for several Alaska Native and American Indian artists. The west side of the building has now become ACLT’s new headquarters and a Set Up Shop training facility. Courtesy of ACLT.

A cultural event is held at the ACLT Growth North Farm Community Venue Space. Courtesy of ACLT.

Formerly a run-down pawn shop, this building was acquired by ACLT in 2012. The east side of the building has become studio space for several Alaska Native and American Indian artists. The west side of the building has now become ACLT’s new headquarters and a Set Up Shop training facility. Courtesy of ACLT.
later incorporated as a non-profit organization with its own staff.

- **Overview:** GMDC has rehabbed and currently operates 8 buildings. Their tenants are largely woodworking, metalworking, and ‘fine artists,’ though there are also cabinetry and furniture manufacturers.

- **Governance:** GMDC offers lease rates 10-20% below market value, and predominantly 5-year leases, which are above average for industrial space and provide much needed stability for manufacturers. Of the 112 tenant businesses, 49% of them are either owned or co-owned by minorities or women. Of the 721 workers in GMDC buildings, 92% of them live within New York City, and 63% of businesses in GMDC buildings distribute their products within New York City.

- **Takeaways:** GMDC provided a useful roadmap for securing financing for below-market industrial developments, and a Senior Project manager spoke with us about the policy barriers that mission-driven industrial developers often face in New York City.

**Cooper Square Community Land Trust**

- **History:** Although the Cooper Square neighborhood has a long and proud history of community organizing stretching back to 1959, the Cooper Square Community Land Trust (CSCLT) was founded in 1991 at the same time as the Cooper Square Mutual Housing Association (CSMHA). The CSCLT is governed by a board made up of one-third tenants and two-thirds community residents or public members. The Land Trust owns the land on which the CSMHA buildings reside. The model of joining CLT and MHA has also been employed by the East New York Land Trust in Brooklyn and the East Harlem El Barrio Community Land Trust in Manhattan.

- **Overview:** The CSCLT and the CSMHA manage 303 units of multifamily housing and 23 commercial units in 19 buildings. Most of these units are located within three city blocks in the Lower East Side of Manhattan. The CSCLT units are some of the lowest cost housing units in Manhattan, if not in the entirety of New York City. For example, a two-bedroom apartment managed by CSCLT costs $431 per month in rent. This is a rate of less than 25% of the Area Median Income (AMI). The CLT also encompasses the 4th Arts Block, a cultural district on 4th Street between 2nd and 3rd Avenues. Buildings on this block provide permanently affordable space to working artists, theater and dance companies, and community-oriented retail.

- **Key Informants:** The Policy Team had the opportunity to speak with Hunter College professor emeritus and CLT researcher Thomas Angotti in regard to the CSCLT model. According to Angotti, a large portion of the CSCLT’s success was in their ability to have many early structural recuperation projects adopted into the city budget. This speaks to the strength of the Cooper Square community. Not only were they able to stop the planned urban renewal project slated for their neighborhood, but they also successfully advocated for the city to adhere to their drafted vision. Because New York City incorporated the CSCLT repairs into its formal budget, CSCLT had to take on no mortgages and any debt it accumulated during its subsequent repair projects became attached to a perpetual contract with the city.
• **Key Informants Continued:** Angotti stated that the funds earned by leasing commercial spaces play an important part in sustaining the quality of the CLT’s low-income housing. CSCLT utilizes the funds captured through their commercial leases “to keep a lid” on maintenance and repair expenses current CLT residents may have to pay.

• **Takeaways:** The CSCLT provided great insight into not only how powerful of an ally the city can be, but also in how funds acquired through commercial leasing could be put to use to help maintain another aspect of an organization's deep affordability.

The Peninsula

• **History:** The Peninsula land was formerly used as the Spofford Juvenile Detention Center, which had been operated by the New York City Department of Juvenile Justice for 54 years. 95% of Spofford’s juvenile detainees were African-American or Latino, and 54% of detainees came from the same 15 low-income, majority people of color neighborhoods. It was considered an unethical, exploitative blight by many in the community and they successfully organized to get the facility shut down. It closed in 2011 and in 2018, the New York City council voted to demolish the facility and build an affordable housing complex in its place, which is still under construction.\(^74\)

• **Overview:** When completed, The Peninsula will contain 740 deeply affordable housing units, a health and wellness center, day care, fresh food grocer, retail, arts and open space. It will have a total of 50,000 sq. feet of light industrial manufacturing space, 53,000 sq. feet of community space, and 15,000 sq. feet of commercial space.\(^75\)

• **Governance:** The project is being built by a partnership that includes two private and developers (Gilbane and the Hudson Company) and a non-profit developer (Mutual Housing Association of New York City, or MHANY). The development team worked closely with local stakeholders to ensure the community would benefit, centering community input and participation in this process. Most of the businesses at the facility will either be run by community members, or will contribute to the broader goals of the community, as in the case of the fresh food grocer.\(^76\) MHANY is in charge of the non-residential component of the project.

• **Key Informants:** We spoke with Paul Lipson, who founded and led The Point Community Development Corporation. He served as a consultant on the Peninsula Project in its early phases, and provided insight into how to balance community needs with financial realities, and the financial challenges of building affordable mixed-use facilities - particularly on empty lots.

• **Takeaways:** The Peninsula development highlights the power of community involvement and input - both in getting the Spofford Juvenile Detention Facility closed down, and in the reclaiming of that land for the community’s benefit. Although The Peninsula is not a CLT, it has demonstrated that affordable manufacturing, commercial and residential space can be built in New York City.
York City. As the project has moved forward, however, it has begun to seem unlikely that industrial uses will be able to be included, because to be financeable, the project will have to charge higher rents than industrial tenants can afford. This speaks to the extreme difficulty of doing affordable ground-up construction for industrial tenants.

The Niagara Falls development in Buffalo, NY. Image courtesy of Buffalo Spree.

Fruit Belt CLT

- In Buffalo, NY the Niagara medical campus. Successfully got the city to put a 2½ year moratorium on sale of city-owned vacant lots What made the Fruit Belt successful was in part due to a highly organized community effort. Also participatory democracy, well-grounded progressive leadership.77

- The moratorium allowed the community to slow down the city’s land disposition process long enough to form a CLT and negotiate for the transfer of city-owned properties.

- The community was able to acquire 20 vacant lots from the city, in which the CLT would have direct ownership over. Plans for the remaining 200 vacant parcels will be discussed.78

- Currently the FB community has been able to get 10 million dollars through government funds to fight the impacts of Covid-19 in African American communities, thus showing the impact of citizen participation. Ensuring that the municipal government is working for the community. Overall, this particular CLT represents a concrete, tangible force or mechanism against gentrification due to the way the community was able to mobilize against private development.

Advocates for a community land trust in Buffalo gathered on a vacant lot. Image courtesy of Buffalo Rising.

III. Governance Recommendations

Policy Memo

With relatively few mixed-use CLT models to reference, the Bronx CLT has both the burden and opportunity to determine how commercial and manufacturing operations will function in their mixed-use CLT. The case studies outlined earlier provided a basis for several initial recommendations. We utilized the 4006 3rd Ave property as a model with which to demonstrate our governance proposal.

A street view of the proposed project site at 4006 3rd Avenue, The Bronx, NY 1045 courtesy of Google Maps.
Unique Circumstances

First, it is important to lay out the contexts this project will be operating within. A mixed-use CLT building in the Bronx, in the wake of COVID19, presents a unique set of circumstances that are important to identify before we propose our governance structure.

Mixed-Use Governance Context

Our case study review indicated that although there were not many mixed-use CLTs in New York City, there were plenty in other cities across the United States. However, we did not find many manufacturing-oriented CLTs. When CLTs were mixed-use, it was primarily a commercial and residential mix.

Organizations like the Sawmill CLT employed a commercial ground lease model that is governed by an LLC made up of the Sawmill CLT and a for-profit developer. In Anchorage, the ACLT does not separate the ownership of the buildings from the ownership of the land. Instead, ACLT owns both and offers commercial rents at a reduced cost, acting more like a mission-driven landlord, resembling nonprofits like the Greenpoint Manufacturing and Design Center more than a true mixed-use CLT. Rondo also follows the Anchorage model, and claims that “During planning and development, this model proved to serve Rondo CLT’s goals for the project and to be the most economically feasible. Choosing this structure also allows Rondo CLT some flexibility to change the structure if they determine that there would be a better model more suited to the project once in operation.”

Most mixed-use CLTs we researched used rents from commercial spaces to subsidize their residential units. Cooper Square offered the most dramatic example of this, offering commercial space at market rate instead of focusing on promoting local small-business ownership.

Overall, mixed-use CLTs have employed a wide array of strategies, with differing goals for their commercial spaces and vastly different degrees of community input and control. The Bronx CLT as the master lessor would provide a greater degree of flexibility during the beginning phase, and this model’s success in mission-driven, manufacturing-focused organizations throughout NYC makes it a tested and feasible option.

Bronx Context

At the time of this report, there are five prominent community-based organizations overseeing a CLT located in the Bronx, including the Bronx CLT. The other four organizations include the Banana Kelly Community Improvement Association, the Mott Haven-Port Morris Community Land Stewards, the South Bronx Community Land and Resource Trust (Nos Quedamos), and the Bronx Land Trust (Mary Mitchell Center).

Of the five CLTs located in the Bronx, only the Bronx CLT considers the inclusion of commercial and industrial space within its framework and management goals. The Mott Haven-Port Morris Community Land Stewards CLT comes close, acknowledging in its mission the need to create cultural and artistic spaces as well as developing local economic opportunities, but does not name commercial and manufacturing uses within the goals of the land trust. The South Bronx CLT (SBXCRT) mentions housing, open space, natural resources, and infrastructure as part of their management goals, while Banana Kelly only mentions housing and residential uses.

Finally, the Mary Mitchell Centers Bronx Community Land Trust currently only lists community gardens and open spaces as its main focus.

As to the governance structures of these CLTs, many echo the SBXCRT, which is governed by residents, but also community development corporations, community gardens and community cultural and arts organizations. These partnerships between community members and outside mission-driven organizations are usually solidified in a board with proportional seating representing each group of stakeholders. This model is employed by the ICCLT, which states the organization’s board will evolve to include residents of the CLT as well as community members and organizations from neighborhoods where it is active.
As shown in the example of these other CLTs active in the Bronx, community governance is crucial in helping direct the CLT toward development that is in the interest of its community and that reflects the values of its residents.

The Bronx has been hit especially hard by the COVID-19 pandemic. Powerful local economic institutions such as the New York Yankees have been shuttered due to the virus. Courtesy of The City.

Governance at 4006 3rd Ave

The Bronx CLT has both the opportunity and challenge of entering the relatively rare space of a community land trust that prioritizes affordable space for commercial and manufacturing space, in addition to maintaining residential affordability. Building largely from the case studies provided by the Rondo CLT (“Rondo”) and the Greenpoint Manufacturing and Design Center (GMDC), this section outlines strategies the Bronx CLT can employ to ensure its future commercial and manufacturing properties reflect its mission and values, while maintaining a stable funding model. In order to provide concrete recommendations to the Bronx CLT, we used the 4006 3rd Avenue property in the Bathgate IBZ, which was modeled by the site analysis team in the previous section, as an example.

Leasing and Rent

We found that the master lessor model is the most financially and organizationally feasible model, and was most practical for the site analysis team to use in their financial projections. GMDC is one of the few organizations providing below market-rate space to commercial and manufacturing small businesses in New York’s competitive real estate market, and they use the master lessor model. The fact that GMDC retains ownership of the space reduces the financial barrier for tenants, and allows the organization to ensure the fiscal health of buildings by ensuring they are always occupied.

Rondo’s leasing and rent structure shines a light on what is possible for a CLT committed to building the wealth of small business owners in a community. Rondo surveyed local business owners to understand what rental rate they could afford, and committed to setting rates at that level for their Milton-Selby project. Rondo engaged a property management company that worked on other residential projects for them, and also has commercial experience. Rondo also has plans to build wealth for their commercial tenants through a potential profit sharing scheme when the spaces are completely leased up and the project has been running for approximately two years.

We recommend that the Bronx CLT take a hybrid approach with regards to renting and landlord duties. The pro forma rental rates for the commercial and manufacturing spaces in 4006 3rd Ave are in the grid below:

<table>
<thead>
<tr>
<th>Rental Assumptions</th>
<th>Cost per Square Foot</th>
<th>Leasable Square Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Manufacturing</td>
<td>$15</td>
<td>6,750</td>
</tr>
<tr>
<td>Catering</td>
<td>$24</td>
<td>6,750</td>
</tr>
<tr>
<td>Office Space</td>
<td>$27</td>
<td>6,750</td>
</tr>
<tr>
<td>Health/University Laboratory</td>
<td>$40</td>
<td>6,750</td>
</tr>
</tbody>
</table>
These rents are approximately 20% below market rate and in line with GMDC practices, with the exception of the market rate Health/University Lab space anchor tenant. Given the high cost of construction in New York, even for rehabilitation, setting rents much below this level may be financially infeasible, especially for a nascent CLT operating in an economic downturn. However, surveying local small businesses will be valuable in assessing this rate’s feasibility. The Bronx CLT will be in a stronger position knowing whether rental rate assumptions align with the needs of target small businesses.

Additionally, entering into a partnership such as a limited liability corporation, with a mission-aligned developer will allow the Bronx CLT to retain the technical expertise necessary to act as a landlord. This expertise can help the Bronx CLT service the debt on the property and retain the services of a property management company. Finally, learning from Rondo’s example, the Bronx CLT could commit to wealth building for its commercial and manufacturing tenants by profit sharing excess rental income from the spaces, after accounting for debt servicing and operational costs. This is an exciting possibility, and the Bronx CLT should ensure that profit sharing is only attempted once the property is financially stable and fully leased.

Community Control

The Northwest Bronx Community and Clergy Coalition has a proud history of community organization. Courtesy of NWBCCC.

Ensuring that the community can exert some degree of control over properties like 4006 3rd Ave will be essential in distinguishing what makes the Bronx CLT’s affordable commercial and manufacturing space distinct from nonprofits that simply provide affordable space to small businesses. Emphasizing the community in community land trust, the Bronx CLT can continue and expand its already impressive outreach through NWBCCC. Beyond current activities, the Bronx CLT might consider creating a small tenant outreach and selection committee composed of the Bronx CLT board members and NWBCCC members. As Rondo staff emphasized, meaningful community input is vital to creating trust and goodwill in a project. The transparency and deep community roots of NWBCCC are necessary to ensure that the Bronx CLT acts as more than just another landlord.

Partnership with Anchor Institution

Further to the issue of community control, we remain cognizant of the capital and talent that a partnership with an anchor institution represents. An anchor institution such as a school or hospital could provide valuable access to both training and jobs at 4006 3rd Ave. Larger systems rightfully come with their own priorities and goals. While the benefits outweigh any drawbacks, an imbalance of input is possible. The Hunter studio recommends engaging with an anchor institution and formalizing the relationship to ensure that community input and control is central to the property’s functioning.

Capital Reserves

The Covid crisis has also underlined the need for landlords to have deep pockets, even as it threatens government and private funding sources. While building and maintaining capital reserves is a tall order in the current environment, our general policy recommendations point to some ideas for how that might be accomplished.

An Analytical Framework

It is important to assess the impacts of our recommendations for 4006 3rd Avenue through a series of analytical lenses. We examined whether our proposal would be equitable, effective, accessible, feasible and efficient. Please find this analysis below.
Equity

We prioritized equity when deciding the governance for 4006 3rd Avenue. Current concerns regarding speculative development in the Bronx and the populations impacted by displacement make this issue paramount. A proposal that does not promote equity for Bronx residents is neither valid nor valuable.

Our decision to keep rents at this site 20% below the market rate was made to promote equity. This pricing model opens up access for a wider socioeconomic band of business owners, providing a pathway to economic ownership for many who are currently priced out. Furthermore, tenant selection and management decisions made by NWBCCC will ensure the community has an avenue to provide input. It is also important to structure partnerships with anchor institutions in a way that the community remains empowered, as it is easy for the more stable and established businesses to take an unequal amount of control over the CLT. Finally, maintaining robust capital reserves will ensure that the most vulnerable businesses at this site will not be shuttered by events such as the current pandemic. COVID-19 has illustrated just how fragile small businesses throughout New York City are. Although it will be difficult, maintaining an emergency fund to keep the site’s businesses in operation will promote long-term resilience. This is certainly an issue of equity, as wealthier and more established businesses can weather the storm. Capital reserves will ensure vulnerable businesses have access to equal protections.

Effectiveness

Although 4006 is only one building, it provides a template for the creation of further affordable, mixed-use development for CLTs. This development will be effective in employing a significant number of people and creating opportunity for several local entrepreneurs, but it also represents a starting point for new local businesses built and owned by Bronx residents.

This proposal effectively incorporates the Bronx CLT’s values of community governance and ownership, while simultaneously providing agency to local businesses and maintaining a stable funding model. The future floor plans of this building will need to be individually tailored for each subsequent development, but it serves as a model for future stability.

Accessibility

This individual development will only address a small portion of the demand for local businesses in the Bronx. There will be a limited pool of businesses that can be accepted in each space, as well as a limited amount of jobs provided. It was essential to ensure the Bronx CLT has a sustainable funding source, but this limited supply could hamper community involvement in the CLT’s decisions of which businesses will fill the preliminary spaces. We accounted for some level of this by assigning tenant selection and decisions to the NWBCCC and by structuring the anchor institution relationships in a way that empowers the community, but are aware that not everyone will be able to see their input sufficiently incorporated into this initial site. Hopefully as this model becomes more widespread and the number of available spaces increases, community desires will be able to be acted upon to a greater degree and more Bronx business owners, workers, consumers and residents will be positively impacted.

Still it is imperative that businesses, whether they be anchor institutions or locally-owned, are autonomous enough that community involvement does not hinder their success. The Bronx CLT’s goal of creating a pathway to sustainable financial success for Bronx small business owners must be balanced with community accessibility and input.

Feasibility

This proposal is a feasible one. Second to equity, we prioritized feasibility because we understood how important it was for the Bronx CLT to demonstrate that a community-ownership model works, so this model could be duplicated throughout the Bronx. Each recommendation we made has precedent, whether in other CLTs across the country or in mission-driven nonprofits in New York City. For example, providing rents 20% below the market rate presented a funding challenge, but we looked to organizations like Greenpoint Manufacturing and Design Center (GMDC) who have used
this model to empower small manufacturing businesses while maintaining fiscal solvency. Allocating laboratory space for an anchor institution ensures that these lower rents are feasible for Bronx CLT.

Finally, it is worth noting that any municipal adoption of our proposed policy recommendations will only make these governance recommendations more feasible.

**Efficiency**

Community-led decisions will always be less efficient that top-down mandates, but it was important to sacrifice this autocratic efficiency in order to fulfill our accessibility and equity priorities which reflect the values and mission of the Bronx CLT. It is important that the governance process of 4006 3rd Avenue is capable enough to deal with problems as they arise, whether it be a financially-struggling tenant, or determining whether an anchor tenant has fulfilled its obligation to value and act upon community input. But an over-reliance on this analytical lens will detract from the higher priorities of equity and accessibility.

### IV. Funding Sources

The policy team was also tasked with researching the different funding methods and partnership opportunities available to the Bronx CLT. We looked at banks, charitable foundations, nonprofit organizations and government funding sources for this analysis. In addition to the amount of funding a specific grant would provide, it was important to determine whether the funding provider was aligned with the mission and goals of the Bronx CLT. Often times, organizations that provided a large amount of funding lacked sufficient alignment with the transformative goals of the Bronx CLT. This forced us to strike a balance between staying true to the Bronx CLT’s mission and ensuring a given source provided funding that could sustain a property’s development. The policy team created the below Funding Matrix in order to illustrate this balance and allow the Bronx CLT to review the funding sources that other CLTs and nonprofit developers have used. This Funding Matrix is a mechanism by which the Bronx CLT can evaluate whether a given funding source provides the necessary funding and aligns with the Bronx CLT’s core values.

**Matrix of Funding Sources**

The policy team researched the many funding sources available to Community Land Trusts, especially mixed-use CLTs, to present the Bronx CLT and the Site Analysis Team with detailed recommendations of the funding opportunities worth pursuing. These funding sources include government subsidies, tax credits, grant programs, and partnership opportunities. The important information regarding each of the individual funding sources was assembled within a Funding Database. We found that, while thorough and organized, this database did not effectively illustrate the firm recommendations of the Policy Team.

To present our recommendations in a more visual and conclusive way, we developed a Matrix of Funding Sources. This Matrix relies on a rubric developed by the Policy Team that applies numeric scores to each funding source based on the total monetary amount offered by the funding source, and the alignment of that funding source’s mission to the goals and mission of the Bronx CLT. Descriptions of the criteria are below, and a complete bibliography of the sources is located in the endnotes section.

**Available Funding (x-axis):**

This metric ranks the maximum funding amount offered by the funding source for similar projects between zero and ten (0-10). This quantitative metric is sequential and linear. There are ten categories of monetary funding available, starting with zero dollars and progressing up the hundreds of millions of dollars. This score became the x coordinate on the coordinate plane.
AMOUNT CATEGORIES | X-SCORE (0-10)
---|---
Offers No Monetary Funding. | 0
Offers Funding in the Hundreds of Dollars. | 1
Offers Funding in the Thousands of Dollars. | 2
Offers Funding Between Ten and Fifty Thousand Dollars. | 3
Offers Funding Between Fifty and One Hundred Thousand Dollars. | 4
Offers Funding Between One Hundred and Five Hundred Thousand Dollars. | 5
Offers Funding Between Five Hundred and One Million Dollars. | 6
Offers Funding Between One Million and Five Million Dollars | 7
Offers Funding Between Five and Ten Million Dollars. | 8
Offers Funding Between Ten and Fifty Million Dollars | 9
Offers Funding Between Above Fifty Million Dollars. | 10

Mission Alignment (y-axis):

This metric refers to the alignment of a funding source to the mission and goals of the Bronx CLT. This metric was not as linear when compared to the adjudication of funding available, and is qualitative rather than quantitative. We considered ten different aspects of the Bronx CLT’s goals and mission, and compared them to the mission and goals outlined by the funding source. We allocated one point for each of the aspects that aligned and then totaled the points, which provided the funding source a score between zero and ten which became the y coordinate on the coordinate plane.

<table>
<thead>
<tr>
<th>MISSION ALIGNMENT</th>
<th>Y-SCORE (0-10)</th>
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<tbody>
<tr>
<td><strong>BRONX CLT MISSION</strong></td>
<td></td>
</tr>
<tr>
<td>Safeguard Affordable Housing for Residents</td>
<td></td>
</tr>
<tr>
<td>Safeguard Affordable Commercial Space for Small Businesses</td>
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<tr>
<td>Build Shared Wealth</td>
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<tr>
<td>Build Collective Governance Over Community Land</td>
<td></td>
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<tr>
<td>Facilitate Long-term Community Planning</td>
<td></td>
</tr>
<tr>
<td><strong>BRONX CLT GOALS</strong></td>
<td></td>
</tr>
<tr>
<td>Identifying New Development Opportunities</td>
<td></td>
</tr>
<tr>
<td>Working with Local Organizations on Joint Development</td>
<td></td>
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<tr>
<td>Stewarding Land for Long-term Affordability</td>
<td></td>
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<tr>
<td>Arranging Economies of Scale Across Housing, Commercial, and Industrial Spaces</td>
<td></td>
</tr>
<tr>
<td>Organizing Support for Local Organizations Interested in Sponsoring CLT-linked Mutual Housing Associations</td>
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</table>

Taking the two scores together (x, y), the funding source is given a unique point on the Funding Matrix. Please find an example of the rubric below, using the Regional Council Capital Fund Program as an example.
The Regional Council Capital Fund program makes up just one of the funding sources included in our Funding Matrix.

Below, please find the complete Matrix. Potential funding sources exhibited in the Matrix include:

- **CHAN ZUCKERBERG INITIATIVE (CZI)**
- **COMMUNITY DEVELOPMENT BLOCK GRANT - SECTION 108 (CBDG)**
- **ENTERPRISE COMMUNITY LOAN FUND (ENTERPRISE)**
- **HISTORIC PRESERVATION TAX CREDIT (HPTC)**
- **HOME INVESTMENT PARTNERSHIP PROGRAMS (HOME)**
- **KEYBANK FOUNDATION GRANT (KEYBANK)**
- **LOW INCOME HOUSING TAX CREDITS (LIHTC)**
- **MUTUAL HOUSING ASSOCIATION OF NEW YORK (MHANY)**
- **NEW MARKETS TAX CREDIT (NMTC)**
- **NYS ENERGY RESEARCH & DEVELOPMENT AUTHORITY - REVitalize (NYSERDA)**
- **REGIONAL COUNCIL CAPITAL FUND PROGRAM - ESD GRANTS (RCCFP)**
- **URBAN HOMESTEADING ASSISTANCE BOARD (UHAB)**
After applying the rubric to the identified funding sources, we want to make two points.

Firstly, the Mutual Housing Association of New York (MHANY) and Urban Homesteading Assistance board received two of the highest alignment scores although they provide little-to-no monetary funding. We felt it was important to leave these two organizations on the Matrix, as both could provide a critical partnership opportunity for services or organizational support to the Bronx CLT.

Secondly, it became evident over the course of our research that no single funding source would be able to finance an entire project. However, many of the sources listed on the Matrix can be utilized jointly in order to maximize funding. Sources such as NYSERDA, Historic Preservation Tax Credits, and New Markets Tax Credits could theoretically all be used in tandem to help provide equity for a specific project. Thankfully, as exhibited by the Matrix, the majority of the funding sources we researched align with the goals and mission of the Bronx CLT and should be considered for future projects.

Not only does the Matrix highlight which sources provide the most funding for projects similar to those of the Bronx CLT, but it also helps discern which sources provide the greatest level of goal alignment to the Bronx CLT. Considering both of these variables together, the Funding Matrix is one tool available to the Bronx CLT when they consider pursuing the funding sources that best fit their future needs.
Another task for the policy team was to review the policy landscape at the federal, state and local level, and identify whether there were any policy changes that could improve the outcomes of Bronx CLT. These improvements include increasing the availability of manufacturing land and promoting the Bronx CLT’s values of enhancing equity, community ownership, and economic democracy in the Bronx.

We approached this task from a number of different avenues. Our Case Study review provided the policy team with several examples of mixed-use CLTs from cities across the United States. An analysis of these individual cases highlighted the many governance, financial and participatory challenges CLTs can face, and also provided a window into the policy environments of other cities and states that may be more favorable to a particular land use or ownership model.

The policy team spoke with experts in development, funding and city planning. These discussions gave us a better understanding of the challenges faced by mission-driven developers in New York City. A Senior Project Manager of the Greenpoint Manufacturing and Design Center identified barriers in securing funding and developing efficiently, which the organization had faced in their efforts to develop manufacturing space in New York. A Senior Planner from DCP spoke on the structural issues inherent in the city's zoning and land appraisal methods. We also spoke with members from TIF, The Peninsula, and experts and members of CLTs across the country. These conversations revealed many opportunities to improve New York State and city policy in ways that would benefit Bronx CLT.

Our discussions with experts in the field and a review of the policy landscape of other CLTs across the country laid a solid foundation for our recommendations. Our goal was to provide a number of diverse suggestions, instead of focusing on only two or three. We decided to approach our task in this manner because the research demonstrated an extensive array of potential policy improvements. Additionally, the current COVID-19 pandemic has presented opportunities for reform across the board, not only in a few isolated sectors.

Below are our policy recommendations. Most of these recommendations call for changes at the city level rather than state or federal.

Neighborhood-specific moratorium on the disposition of publicly-owned land:

A moratorium on the disposition of publicly-owned land, concentrated in specific neighborhoods, could effectively prevent gentrification and the loss of community assets. It can provide time to allow communities to organize and decide how to use specific land parcels. Communities can organize against them, and this trend is only accelerated by COVID19. Private development is continuing, while social distancing measures limit community power to organize against it.
Many neighborhoods are developing faster than we are familiar with the displacement that occurs with the increase of development in an area, and the status quo provides no meaningful avenues for community residents to have consequential input into the flurry of new building construction in fast-developing areas.

A moratorium on the disposition of city and state-owned land would prevent private developers from exploiting socioeconomically disadvantaged neighborhoods by purchasing parcels owned by the city, developing them, and hoarding all the economic benefits. This policy provides an opportunity for communities to ‘fight forward’ and have the time to propose their own uses for this land, including purchasing it for a land trust.

Particularly during this pandemic, a moratorium would level the playing field between developers and community members, preventing for-profit developers from exploiting a community’s inability to organize against unwanted development. This policy has been used successfully on 200 vacant lots in Buffalo, NY. In Buffalo, the moratorium on these 200 lots provided the community with time to organize and gain public support for a CLT in the rapidly gentrifying Fruit Belt neighborhood. This CLT will comprise over 20 of those original 200 vacant lots, and the community will have a say in how the additional lots will be developed.

In Buffalo, the moratorium on these 200 lots provided the community with time to organize and gain public support for a CLT in the rapidly gentrifying Fruit Belt neighborhood. This CLT will comprise over 20 of those original 200 vacant lots, and the community will have a say in how the additional lots will be developed.

Institute Municipally-Mandated Donations of Land and Housing by Private Developers:

Currently, city concessions or density bonuses to private-developers are restricted to affordable housing, based on the level of affordability and the amount of affordable units they provide in their buildings. Although this model has increased the amount of affordable housing in NYC, this approach does not address the issue of real estate speculation at the heart of the housing crisis, nor does it address other critical issues of affordability beyond housing. This results in a system where not enough affordable residential units are produced, the levels of affordability are set at AMIs unattainable for most residents, the units are governed by private landlords with no stake in community ownership or empowerment, and there is no guarantee these units will remain affordable in the long-term.

Beyond these issues, density programs incentivizing affordable housing programs in NYC like MIH Create Dedicated Funding Sources for Community Land Trusts in NYC:

Currently, CLTs in New York City have to compete with other mission-driven organizations for limited City funding such as Reso-A grants, which are awarded by city councilmembers. Mayor DeBlasio’s administration and others throughout the city have recently championed the importance of CLTs as a key vehicle for increasing community self-determination and combating the affordability crisis in New York. Given this new emphasis, the city must find a mechanism to invest meaningfully in CLTs and not force them to compete with other entities.

There should be a dedicated source of funding for CLTs, and particularly for those aiming to preserve and invest in New York’s manufacturing capabilities. Mixed-use CLTs will be vital for enhancing the resiliency of New York City’s economy, providing locally-owned and community-oriented manufacturing jobs - a capacity that is needed now more than ever, given the recent shortages of personal protective equipment (PPE). Additionally, state and federal dollars provided to CLTs are mainly for the creation of affordable housing. Dedicated funding sources for commercial and manufacturing-based CLTs would fill a fiscal hole for critically important affordable developments that already operate on thin profit margins. Advocating for these funding sources is an important step toward demonstrating the importance of mixed-use CLTs.
do not address the critical issues of community control of land use decisions, preservation of blue collar jobs, wealth creation, or the affordability of commercial and manufacturing space.\textsuperscript{91}

Municipally-mandated donations that require private developers to provide CLTs with land or housing is a promising model. These donations would mitigate some of the effects of gentrification and wealth extraction from private developers by counterbalancing it with increased land under community control. This policy, although far from a cure-all, would be much more effective than the status-quo in promoting community ownership and long-term affordability. Municipally-mandated donations have been successfully implemented in places like Chapel Hill, NC, Burlington, VT and Boulder, CO.

Land Donations

\textit{Burlington Associates notes that “Many CLTs in cities such as Chapel Hill, NC, Burlington, VT, and Boulder, CO have implemented a policy where CLTs have received ‘donations’ of land and housing for private developers that are turned over to the CLTs own management. Private Developers, in return, receive concessions in the form of zoning variances or density bonuses on their primary development. In some cases the CLT has paid nothing for this land, where in others, the CLT pays significantly below the property’s market value. This would promote community ownership of land, lead to land management independent from private-developer interests and allow CLTs to thrive and grow even in a competitive NYC real estate environment.”}

Work with the NYC Office of Management and Budget (OMB) for greater transparency:

In our discussions with recipients of City loans and grants, we learned that prolonged wait times and uncertainty in OMB’s approval processes consistently increased the development timeline and created budgetary uncertainty. As a result, many smaller-scale organizations that depend on this funding are forced to secure bridge loans from private banks. This burden extends the costs and timelines of any development, requires more expertise on the part of developers, and creates more administrative difficulty for such organizations. This threatens CLTs and other smaller-scale, mission-driven projects that don’t have the same deep pockets and relatively wide profit margins of market-rate developers. City sources of funding like Reso-A, which are most often awarded to projects with community priorities, should not create a burden for its recipients.

A more standardized, efficient, and transparent loan and grant approval process would provide much-needed certainty for organizations like mixed-use CLTs and development-focused non-profit organizations. A regularized timeline akin to ULURP would go a long way in leveling the playing field, making it so the development process is not restricted to large-scale private developers who can afford to shepherd projects through a nebulous approval process. Reforming the OMB approval process for loans and grants would provide valuable benchmarks that organizations like Bronx CLT would be able to structure their own internal timelines around.

Create an Association of like-minded, commercial and manufacturing CLTs and Non-Profits within NYC:

Currently, NYCC LI exists as a consortium for CLT-related policy and advocacy issues within NYC, but they are primarily focused on residential CLTs.\textsuperscript{92} NYCC LI’s community education, capacity-building training and advocacy efforts have been crucial for many nascent CLTs throughout the city, but their work is mainly concerned with combatting NYC’s affordable housing crisis. While NYCC LI’s work is critical, there is a niche gap in
advocacy for CLTs like the Bronx CLT that promote economic democracy and wealth generation via small business ownership.

Additionally, while there is overlap between CLTs committed to promoting economic justice by promoting commercial and manufacturing capacity and nonprofits aimed at economic development through high-paying manufacturing jobs, there are concerns that are specific to CLTs. CLTs contend with different challenges, such as how to effectively incorporate community control into a governance structure and nuanced issues of economic justice.

One option could be to form a manufacturing CLT-specific advocacy taskforce within New York City’s Industrial Jobs Coalition, which is itself part of the Association for Neighborhood Housing and Development (ANHD) nonprofit group. Currently, the Industrial Jobs coalition focuses on protecting and preserving manufacturing within NYC, and is composed of community groups, policy advocates and service providers citywide. The goals of this organization and its economic mobility and community focus would be invaluable to relatively young mixed-use CLTs like the Bronx CLT, and the expertise offered by the coalition’s members could also be a vital resource for the Bronx CLT. This union could provide the Bronx CLT with a wider impact for their robust organizing expertise while providing them, and other mixed-use CLTs, with a space to come together with a common purpose both troubleshoot CLT-specific issues in this space and to promote economic democracy through manufacturing jobs and businesses to New York City.

**Consider a more comprehensive vision of long-term neighborhood affordability that includes commercial and industrial space**

NYC Mayor Bill De Blasio has committed to providing 300,000 units of affordable housing by 2026, demonstrating the city’s ‘housing first’ policy priorities. De Blasio and the City Council view CLTs as a vehicle for ensuring the permanent affordability of housing in neighborhoods plagued by speculation, gentrification and displacement. The mayor’s State of the City speech and the The City Council’s 2017 funding allocation make these priorities clear. Although these efforts strengthen the CLT model, these efforts only promote a singular view of CLTs. In fact, for a CLT to access almost all applicable funding sources, an affordable housing component is required. The CLT model can encompass much more than the preservation and creation of permanently affordable housing. This limited view fails to recognize the inherent potential of CLTs to create permanently affordable commercial or industrial space.

Organizations such as Bronx CLT, which prioritize democratic land ownership through a non-residential CLT model, must advocate to shift New York City’s current focus away from only residential models towards a more comprehensive model of affordability that prioritizes access to permanently affordable commercial and industrial space. This effort will require working with elected officials and community advocacy groups to demonstrate the importance of community-owned businesses and illustrate the harm caused by outsourcing production. In a COVID-19 world, the importance of local manufacturing and distribution capacity has never been more clear, and enhanced manufacturing capabilities in socioeconomically disadvantaged neighborhoods provide much more in the way of economic resiliency than a ‘Housing First’ status quo.
Do not divorce Land Use (Zoning/Special Designations) from Economic Development:

In New York City, manufacturing and industrial land use designations often reside in secluded areas where economic development opportunities are more limited, and community integration is discouraged. For example, Industrial Business Zone (IBZ) designations were developed by the IBZ Boundary Commission, which considered several factors when designating areas as IBZs including traffic patterns and neighborhood character. Although IBZs were successful in retaining manufacturing, the boundaries that were drawn did not promote confidence in new industrial projects in NYC. This means that IBZs ultimately failed to create a hospitable climate for new industrial businesses, and did not even lead to the expansion of existing projects.96

As implemented, IBZ policies serve as an impediment for organizations like the Bronx CLT, which is looking to create more manufacturing capacity and promote community-focused, mixed-use development. The Bronx CLT should advocate for a comprehensive integration of low-impact manufacturing land within commercial and in some cases residential districts. Some types of manufacturing have become less environmentally hazardous or disruptive since these districts were zoned, and it is economically beneficial for industrial, commercial and residential areas to exist alongside one another. Such integration will reduce the neighborhood segmentation that characterizes areas in proximity to IBZs, and will strengthen community bonds and neighborhood identity.

Restrict Uses within Manufacturing Zones:

Current NYC Zoning Law allows commercial uses to be developed within manufacturing zones.97 Even in IBZs, NYC’s economic development agencies are still able to provide financial incentives for non-industrial uses, fueling competition for resources and space. Although this may encourage development, it discourages the construction of new manufacturing throughout the city. It causes manufacturing land to be appraised higher, because the city allows more lucrative commercial space to be built on that land. As a result, any manufacturing-focused development is much more difficult to secure loans and funding for, even though it is on land zoned for that purpose. The status quo policy prioritizes commercial space and creates an added burden for organizations or developers looking to build manufacturing capacity.

A policy that restricts what can be built in manufacturing zones would reduce appraisals, lower development costs, and open the door for more organizations like Bronx CLT to affordably develop industrial buildings. Bronx CLT should lobby New York City to tighten the regulations of what uses are permitted in manufacturing zones. This would de-incentivize non-industrial uses from being built in manufacturing zones and lead to less competition for manufacturing projects, sharply reducing appraisals and development costs.

This graphic exhibits the loss of manufacturing zones due to rezoning in the Bronx between 2002 and 2012. This trend has unfortunately continued. Graphic courtesy of the NYC Department of City Planning.
For Further Consideration:

**Stabilize NYCHA Properties by Incorporating them Within Local CLTs:**

Heavily advocated for by Mott Haven-Port Morris Community Land Stewards founder Mychal Johnson, NYCHA properties seem to be a perfect fit for CLT incorporation. Whether it be in regard to the residential buildings themselves or to the public space that surrounds the buildings, the CLT framework represents an effective and democratic way for residents of NYCHA properties to express their preferences and concerns on future decisions in the building. Many hope that with advocacy and community organizing, NYCHA will eventually allow residents to form affordable cooperative ownership units and either create their own CLT or join an existing organization.

This model is not without precedent. New York City employed a similar model during the 1970s under the Tenant Interim Lease Program, which allowed tenants to slowly buy their buildings from their landlords.

While the city sees tax lien sales as a quick way to make back a portion of what it is owed and prevent foreclosure, community advocacy organizations such as New York Communities for Change and Urban Justice Center claim that focusing on the rate of foreclosures misses the larger negative trend upheld by the lien sales.

According to Urban Justice Center attorney Paula Segal, tax lien sales perpetuate a cycle of building neglect and tenant abuse. Once the debt is owned by the private trust, the interest rate compounds rapidly and becomes untenable for the property owner, causing buildings to be sold to speculative interests. These speculative real estate interests have no incentive to repair the buildings, causing tenants to choose between living in appalling conditions or moving.

**Eliminate Tax Lien Sales**

Many argue that the current New York City Tax Lien Sale system is an effective way of preventing foreclosures, but according to the NYC Department of Finance, out of 41,400 liens sold between 2008 and 2016, only 354 properties were foreclosed. Of the foreclosed properties, only 158 were residential.

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**1436 Pacific Street has gone through the tax lien sale system three times since 2010. It exemplifies the disrepair many of these properties face entering the current sale system. Image courtesy of The Gothamist.**

Community-based organizations and advocacy groups must fight to end this pipeline of neglect and abuse by endorsing the elimination of the current tax lien system. Instead of selling property to for-profit entities that are disinterested in the well-being of the local community, the city should transfer properties to local mission-based non-profit groups such as CLTs. Rehabilitation of these buildings could then be funded through a preservation trust, which would collect contributions from for-profit developers. The ending of the current tax lien system in New York City is a crucial step forward, not only in the preservation of affordable residential and commercial space, but also in the progression of a democratic economy and the betterment of New York City's communities.
Conclusion
As underscored throughout this report, there is good reason the community land trust model is currently receiving heightened interest. CLTs have the ability to help advance a transformative means of dismantling established political and economic institutions through their promotion of a democratic and communal framework. However, without maintaining careful consideration of community interests and consistent advocacy for radical policy adoption, CLTs can also fall victim to upholding the current systematic institutions of marginalization they were developed to combat.

This studio course had the privilege and the challenge of addressing the inherent obstacles the Bronx CLT may face in its formative emergence. Even in the midst of the current crisis, our work highlights how the Bronx CLT can concretely engage and maintain their mission of transformative economic justice. It is the firm belief of this studio that while the Bronx CLT will face unprecedented uncertainty regarding the economy and the city’s public health, there are also real opportunities to foster community betterment and transformative action. It is in order to achieve this betterment that now, more than ever, the Bronx CLT must look to the community it serves.

As witnessed during the NWBCCC’s first ever online meeting, which drew over 90 community members, the Bronx and the people that make it special are unshakable in vision and energy. We are thankful to have been given the opportunity to help inform the Bronx CLT and look forward to assisting a new period of community ownership in the Bronx take root.

### Summary of Resources Developed

- **Pro Formas**
  Two pro formas for 1932 Arthur Avenue and 4006 Third Avenue. The pro formas model a development proposal for each site with recommendations for tenancy, rents, and financing. These models provide insight into programming, development feasibility, and long term financial outcomes.

- **Pro Forma Guide**
  A guide to understanding and operating the pro formas. Key terms, formulas, and an explanation of the "levers" that you can adjust to make the project pencil out.

- **2205 Sedgwick Avenue Zoning Analysis**
  The zoning analysis provides a model for hillside development. Information on zoning limitations and requirements, the zoning change process, and possibilities for site programming are included.

- **Funding Matrix**
  The funding matrix plots grants, partnerships and loan programs on an X, Y axis, where X is the financial commitment and Y is mission alignment. This is a visual guide of the best funding sources to pursue for the Bronx CLT.

- **4006 3rd Avenue Governance Recommendation (Policy Memo)**
  This memo highlights our recommended leasing structure for the 4006 3rd Avenue building. It also contains other key components of a successful governance strategy including partnerships with community organizations, how to handle an anchor institution, and the importance of capital reserves.

- **Policy Recommendations**
  Our 10 policy recommendations cast a wide net and pinpoint many potential improvements that can make the Bronx CLT’s mixed-use development tasks easier.
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Northwest Bronx Community and Clergy Coalition staff, leadership, and members
Endnotes


Ibid.


Ibid.


Ibid.


Ibid.


Funding Matrix Bibliography


