



**Department of
Housing Preservation
& Development**

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Office of Development
100 Gold Street
New York, N.Y. 10038

RAFAEL E. CESTERO
Commissioner

HOLLY M. LEICHT
Deputy Commissioner

April 21, 2009

The Honorable Daniel R. Garodnick
The Council of the City of New York
250 Broadway, Room 1841
New York, NY 10007

Dear Councilmember Garodnick:

I am writing in response to your letter dated March 5, 2009, regarding a site located at East 92nd Street between Second and Third Avenues.

In 1983, HPD awarded two sites located within the former Ruppert Urban Renewal Area - the subject site, known as Site 4A, and a site located on Third Avenue between East 93rd and 94th Streets, identified as Site 4B - to a partnership that included The Related Companies through a competitive Request for Proposals. The Related Companies paid \$10MM for the two sites.

According to the terms of the Land Disposition Agreement (LDA), the developer was required to operate and maintain the subject site, which had been developed by HPD as an interim park, as a public recreation area until June 30, 2008, and to develop Site 4B as a residential complex with 20 percent of the units affordable to Section 8-eligible tenants. In addition, the developer was obligated to maintain a City-owned park that HPD also developed, located at Second Avenue between East 90th and 91st Streets, for ten years. This park, which is known as Ruppert Park, is now permanent parkland.

All three sites are former Ruppert Urban Renewal sites and were developed pursuant to the Urban Renewal Plan, which expired in June 2008. With the expiration of the plan and terms of the LDA fulfilled except for the 20% affordability requirement, development of the subject site is now regulated pursuant to the underlying zoning district, which is C4-6, an R10 equivalent that allows for high density residential use.

In a recent preliminary presentation to HPD, The Related Companies indicated that they plan to develop the subject site under the Inclusionary Housing program, which will provide permanent affordable housing and fulfill their outstanding 20% affordability requirement. HPD will continue to monitor development of the subject site to ensure that The Related Companies meets its final obligations under the terms of the LDA.

