

Read Property Group, LLC
4706 18th Avenue
Brooklyn, NY 11204

December 10, 2013

Council Member Diana Reyna
New York City Council
217 Havemeyer Street, 2nd Floor
Brooklyn, NY 11211

Re: Rheingold Rezoning (the "Project")

Dear Councilmember Reyna,

Read Property Group, LLC ("Read") is pleased to respond to the issues and concerns that were raised by you at the City Council Zoning and Franchises Subcommittee hearing on November 12, 2013, as well as in the community outreach meetings you have organized. Our specific responses are set forth as follows:

Affordable Housing Commitment

We have already committed to provide 24% onsite, permanently affordable units with rents set at an average of 60% of area median income ("AMI"). The affordable units on our property will be completely integrated throughout the buildings with the market rate units. As of now, the unit mix is planned to be: 20% studios, 45% one-bedrooms and 35% two- and three bedrooms. This mix will be the same percentages for the market rate and the affordable units.

In response to community concerns about increasing the percentage of affordable units and lowering the percentage of AMI, we have entered into discussions with respected local community organizations.

In order to achieve this goal, Read is proposing to donate Block 3139, Lots 30-36 (approximately 73,600 square feet of gross building floor area, and approximately 168' of frontage on Montieth Street), to a local not for profit developer (the ("Developer"). This would allow the organization to develop and manage the site, and as a local non-profit they will have access to deeper subsidies than would otherwise be available to a private developer. This would allow the Developer of the site to make the units available to applicants earning as low as 30% of AMI, achieving a major goal of the community outreach group organized by your office. The Developer will be held harmless from real property taxes on this land until the transfer of title.

These units, combined with the units built on the Read site, will increase the Project's overall percentage of affordable units to 30%.

The new senior building described above will have common area for seniors and an area set aside for community use and social services, and we will contribute \$50,000 to the local non-profit community organization to facilitate the development of programs for the space.

To summarize, by donating the land to a local non-profit organization we will:

- 1) Increase the total project's percentage of affordability to 30%
- 2) Lower the AMI on the project's units
- 3) Provide Community Facility space
- 4) Provide space for a Social Service Facility

Read also commits that:

- Read will partner with a local non-profit which will help with the leasing of the affordable units by conducting pre-marketing work to include local community outreach to members, conduct application submittal workshops to identify potential applicants, help applicants submit applications, and prepare selected applicants for interviews.
- Read will partner with a local non-profit which will conduct all marketing and related services for the affordable units in the Project in accordance with HPD, HUD and any other federal, state, and city applicable guidelines including but not limited to advertising, distribution and receipt of applications, lottery administration, determination of applicant eligibility, conducting interviews, and rent up of units.
- Although Read has not determined how the project will be financed or what government programs if any will be utilized, the Inclusionary and 421-a programs require a community preference of 50% while other programs have different requirements. However, Read is committed to providing the maximum community preference permitted under the fair housing laws and any programs that may be utilized, including the Inclusionary and 421-a programs.

Additional Commitments

In addition to donating the land, Read agrees to:

- Contribute a total of \$150,000 (\$50,000 a year for a period of three years) to fund a local non-profit organization's social service programs.
- Contribute \$125,000 per year for a total of two years (for a total contribution of \$250,000) to a local non-profit legal services organization to fund to fund tenant services. These funds cannot be used directly or indirectly to object to the development.
- Donate \$300,000 to help upgrade the computer labs in local Bushwick schools PS 120 and PS 145 (\$150,000 per school). Read will also donate a total of \$60,000 for school gardening and healthy food programs (\$30,000 per school). These donations will be to

non-profit entities affiliated with PS 120 and PS 145, as determined by the local Council Member's office. These school contributions will be made upon assurance from the Department of Education that any students above capacity at PS 145 may be moved to PS 120, in satisfaction of the mitigation obligations in the Project's FEIS.

- Participate in a construction community advisory committee, consisting of approximately 9 community representatives, which will be organized by the office of the local Council Member. Additionally, Read will designate a Construction Manager who will be responsible for providing monthly updates to a community representative, organized through the offices of Community Board 4. In addition, Read will establish a complaint hotline so that the community will have the ability to raise concerns during the construction of the project.
- Work with the NYC Department of Sanitation to make best efforts to relocate garbage pick-up. Read will also relocate parking entrances for the buildings on Block 3152 away from the townhomes on Stanwix Street and provide for rodent extermination as necessary during the construction period.
- Read has already signed a commitment of \$75,000 to help fund a jobs training program with a local non-profit to help with construction related jobs for the local community. Read will request that all contractors working on the Project contact the local non-profit and identify the jobs available in order to prioritize local hiring for construction and building maintenance jobs, based on local zip codes. Read will also advise its contractors to include Locally-based Business Enterprises (LBE) and Minority and Women Owned Business Enterprises (M/WBE) whenever possible, and will make all reasonable efforts to achieve a goal of at least 20% participation by such LBE's or M/WBE's.
- Work with the NYC Department of Transportation and the local Council Member's office to minimize commercial through traffic on Stanwix and Noll Streets, including the posting of signage directing truck traffic away from these areas and a study of whether Noll Street can accommodate two-way traffic.
- Limit retail business within the Project's C2-4 zoning districts to business that occupy 20,000 square feet of zoning floor area or less, with the exception of a supermarket or FRESH food store. Read will also work with the local Council Member's office to make them aware of the available retail space within the C2-4 development so that it can be marketed to local businesses.
- Guarantee that for a period of 15 years, no hotel of any type will be constructed on property currently owned by the Read Property Group within the rezoning area.

The above commitments are in addition to the commitments already made by Read throughout the earlier stages of the ULURP process:

- On-site public open space: We have already committed to execute a restrictive declaration dedicating 17,850 square feet of privately owned land to be used as public open space. We will program that space as described in the attached site plan. The space which will be open to all members of the public and operated in accordance with the regulations of the Parks Department.
- Off-site neighborhood park enhancement: We have committed to provide \$350,000 for improvements to Green Knoll Park. The specifics of the park enhancements will be determined by the Parks Department and the Councilmember.
- Parking: Read has committed to providing a 50% discount on the parking rates for the parking spaces allocated to the affordable units at the development. To the extent permitted by law, Read will offer for rent any unused parking spaces to qualified community residents, subject to credit/background check approval.
- Construction Air Quality: The Project's FEIS performed an in-depth analysis of projected air quality during construction and determined that the Project's construction would not result in an adverse impact on air quality if the following emissions reduction program is implemented: the use of ultra-low sulfur diesel; best available tailpipe reduction technologies; utilization of newer construction equipment rated Tier 3 or higher for all nonroad diesel engines with a power output of 50 hp or greater; the location of large emissions sources such as concrete trucks away from residential buildings; dust control; and a restriction on idling. Read has committed to comply with this emissions reduction program, which is described in greater detail in the FEIS. Additionally, a hotline number will be posted so that local residents can report any non-compliance with the program.

Community Requests that are subject to further review

- Provide additional parking spaces: We have agreed to re-evaluate the number of parking spaces provided in the project after construction has begun - although we are not able to provide additional spaces (beyond the zoning requirement already shown) at this time.
- Green roof / urban farm on Mademoiselle building: Read is interested in this concept and will work with an architectural and design firm to explore it is financially feasible, although we cannot provide a guarantee at this time.
- Provide low-cost space on site for local industrial and retail businesses. We will continue to look at a user- and community-friendly mix of industrial and retail uses, although we are not able to make hard commitment, due to economic limitations and the concessions/commitments referenced above. Our stated objective is neighborhood oriented retail uses.
- Comply with HPD Green Design Guidelines. Read intends to utilize green and energy efficient building and construction techniques and will evaluate whether it's practical to also comply with HPD's Green Design Guidelines.

The Rheingold Rezoning will transform an under-utilized manufacturing zoned area into a vibrant, mixed-use and mixed-income community. It will create hundreds of new rental housing units and permanently affordable housing units in contextual buildings. We have heard the community's concerns throughout this process and we anticipate that the commitments detailed in this letter will further improve our proposed project and be responsive to the issues raised at our numerous community meetings. Finally, Read will also agree to participate in any community meetings organized by the local Council Member to address any issues with regard to the above stated commitments. Please do not hesitate to contact us should you have any questions or concerns about this project.

Sincerely,

A handwritten signature in black ink, appearing to be 'Robert Wolf', written over a horizontal line.

Robert Wolf
President, Read Property Group