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EXECUTIVE SUMMARY

Project Name: Roosevelt Island

Developer : New York State Urban Development Corporation

Approval Date: Offer of Commitment: December 22, 1972

Project Agreement: N/A

Amount of Guarantee: N/A

A. Background and Summary of Progress

1. Background

Roosevelt Island (formerly Welfare Island) New Community is located in the East River, in New York, and occupies 121 out of 143 acres on the island. (See Attachment A). The developer, New York State Urban Development Corporation (UDC), holds the land pursuant to a 99-year lease with the City of New York; there are 96 years left to run on the lease. Roosevelt Island is planned to house 5,000 households, and have a total population of about 17,500 by 1979. Housing type will all be multi-family. The projected income mix includes 25% each of upper and moderate income families, 20% in the middle income range, and 30% lower income, including 10% elderly. Residential uses will occupy 40 acres, with 49 acres for parks and open space, 33 acres for streets and promenades, and the remainder of the island outside the new community, 21 acres, will continue to be used by two hospitals. Commercial facilities will be housed in a gateway parking garage, and in the residential buildings. There will be no industrial area.

The project is unique in many ways. It is being developed by a state entity on under-utilized land in the middle of New York, on an island. Access to Manhattan will be via tramway -- a two or three minute ride. In 1978, the island will have a subway stop, linking it with Manhattan and Queens. (Currently, there is a motor vehicle bridge only to Queens). The project developers intend to exclude all private vehicle traffic from the island, and provide a parking facility at the end of the bridge to Queens. Public transportation would still be provided. Solid waste disposal will be handled by pneumatic tubes in each building, which lead to a compaction plant in the gateway parking facility. From that point, the wastes will be trucked to disposal sites.

The island has a number of historic structures, which will be preserved to the extent feasible.

2. The Developer

UDC was created by state statute in 1968. It is "a corporate governmental agency of the state, constituting a political subdivision and public benefit corporation" (Section 4, UDC Act). UDC's principal activity has been development of low and moderate income housing throughout New York State.

3. Development Progress

Roosevelt Island presently has 2,200 units of multi-family housing under construction. Marketing is expected to begin

in the spring of 1974, with first occupancies in the autumn of 1974. In its historic preservation program, the restoration of Blackwell House, the oldest farm house in New York City, is virtually completed. A very attractive park area complementing Blackwell House is also virtually completed.

B. Financial History and Status

Because there is no guarantee involved for Roosevelt Island (it is being financed mainly with UDC bonds), HUD's main financial interest in the project relates to basic and supplemental grants. In this regard, the project has received two open space grants totalling \$467,400, and has \$86,960 in supplemental grants reserved for it.

C. Key Issues and Concerns

A key issue in current negotiations concerns the nature of the Secretary's sanctions to enforce the development program which would be agreed to. We have taken the position that the Secretary should have the power to suspend payments under grant programs (and ultimately, under the Better Communities Act if passed) in the event the project is in performance default. UDC has voiced very strong opposition to this sanction, and believes the Secretary is adequately protected by its right to withdraw the finding of eligibility, in the event the project ceases to be a new community as contemplated by Title VII. Without the right to suspend payments under grant programs, the Secretary would have no sanctions to enforce the agreement.

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At a minimum, the Board will be asked to act on the UDC project agreement documents, when negotiations are complete.

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