SOUTH VILLAGE

SLUM CLEARANCE PLAN UNDER TITLE I OF THE HOUSING ACT OF 1949
This Committee was appointed on December 17, 1948 to study and expedite specific slum clearance projects by private capital under anticipated Federal law, later known as Title I of the National Housing Act of 1949. Our Committee made a preliminary report on July 14, 1949 and was instructed to continue its studies and prepare a definite program for public discussion.

On January 23, 1950 a further interim report was made, outlining the problem and recommending eight specific projects for further investigation. Two resolutions were adopted by the Board of Estimate on January 26, 1950 Calendar No. 170, one requesting the reservation of $16,000,000 in Federal funds — being the City's share of $200 Million available nation-wide for 1950-51 — and the other directing the Committee to continue with its work. Subsequently the Federal Housing and Home Finance Agency reserved earmarked funds for this purpose and the City of New York set aside its share, $8,000,000 in capital funds, to meet the proposed Federal grants.

This field is new, untried and experimental. The initial procedure therefore is necessarily slow and cumbersome. Neither Federal nor municipal funds are available in sufficient volume to do more than blaze the way for a larger future program. The size of New York's problem can be measured by the acres of recognized slums which cannot be eradicated by ordinary private, speculative building. This slum acreage is over 9,000. The present clearance program through public and quasi-public housing completed, under way and scheduled will be approximately 1,328 acres by 1955 — 15% of the total. Obviously, private capital under a new Federal law must be brought into the picture on a large scale if we hope to escape a tremendously enlarged public housing program with all the implications which go with it.

Following is a review of the law and procedure and of progress made since the last report:

Title I of the National Housing Act of 1949 provides that any loss incurred by a City or local agency in acquiring and clearing slum sites and making them available for private redevelopment will be shared two-thirds by the Federal Government and one-third by the local government. To enable the City to proceed with this program, this Committee advanced, and the State Legislature, at the request of the City Administration, adopted Chapter 784 of the Laws of 1949, Local Law No. 104 of 1949, amending Section 41-1.0 of the Administrative Code, authorized the Mayor to execute Federal slum clearance contracts. To remove completely any further doubts of our authority to take advantage of the Federal law, at the request of the Federal Housing and Home Finance Agency the City Administration requested, and the State Legislature adopted, Chapter 799 of the Laws of 1950, which amended Section 72k of the General Municipal Law.

In the meantime, with the approval and by direction of the Board of Estimate, this Committee applied for Final Advance Planning funds for eight projects listed in our Second Report. The Housing and Home Finance Agency approved these funds in the amount of $174,500 on June 30, 1950. Sufficient work had already been accomplished so that it was possible to by-pass an application for Pre-
This report outlines a redevelopment plan for the South Village Site. The plan provides for about 100 families per acre in buildings covering about 13% of the land. It was found advisable to include fairly extensive retail and business uses to supplement residential facilities.

This area, in Lower Central Manhattan, is ideal for redevelopment because of its accessibility, nearness to employment opportunities and because presently it is one of the worst and most congested tenement areas in the City. It is one of the few areas in which backyard apartment buildings, shantytown frontage, are still used.

In conjunction with the Washington Square Project to the north, we believe that this redevelopment will be one of the country's outstanding Title I slum clearance projects. It will be an openness, recognizable population densities, parks, playgrounds, schools, churches, recreational facilities...all on a sound integrated economic and community basis.

To summarize: New apartments will be provided at $9, $20 and $35 per room per month. In the undis­turbed areas, the apartments averaging $28 and $30 per room per month. There will be about 3700 dwelling units. We are eliminating 4200 sub­standard dwelling units. Population densities are reduced from 400 persons per acre to an average of 330 persons per acre because the present population is concentrated mainly in substandard tenements and backyard apartments and large areas are in commercial use, some in converted residential buildings and some in buildings of mixed use before 1900.

The relatively small number of families to be displaced will present problems, but by no means insurmountable.

The recommended plan for South Village provides 792 apartments in 15- and 20-story fireproof buildings. About 6700 persons will be small, landscaped parks, and a playground with a softball field, a new school nearby, parking, shopping and a rotating picture show are provided. Population density will be 330 persons per acre as compared to a present population density of 440.

Our financial analysis indicates that practical reuse value for the land, in accordance with the Redevelopment Plan, would be $4.00 per square foot for residential areas and $6.00 per square foot for commercial and retail areas. These rates would permit rentals of about $33 per room per month on a full tax-paying basis, provided the commercial and retail income is combined with the residential income. The Real Estate Consultants advise that these reuse values are proper. It is further agreed that there is an ample market for commercial and residential facilities at these rates.

An offer has been received from the Foundation for the Improvement of Urban Living, Inc., a non-profit charitable corporation. It proposes a tax-exempt project to rent at $20 per room per month. Income from the commercial and retail areas will help maintain the rents. The offer is offered to per square foot for both commercial and residential lands. The Committee believes that this offer should be raised to meet the needs of tenants. The offer is offered to $4.00 per square foot for the commercial and retail land. This may require some adjustment in room sizes to reduce cost, and other adjustments and modifications. This is a problem we face on every project under consideration.

The Committee thinks that the price of $4.00 off­ered by the Foundation is acceptable in regard to the residential areas but that the commercial areas should command $6.00 per square foot. The purchaser is to demolish buildings and relocate tenants at his expense, except those eligible for public housing. There will be no discrimination because of race, creed or color in this or any other project.

The Committee recommends that the Board of Esti­mate refer this project to the Planning Commission in the near future. The Committee also suggests that the Board itself give consideration to the overall ap­proval of this project as soon as a final agreement is signed with the Foundation. This is the plan that the Committee is recommending, and of course we must receive the support of the Board, but we believe that the sponsor will present a bid based upon the general terms of the offer as finally agreed upon. When the land is offered for sale, and the legal required auction the Committee will forward a def­inite recommendation to the Board of Estimate as soon as negotiations are completed.
HOUSING AND HOME FINANCE AGENCY OF THE UNITED STATES

RAYMOND M. FOLEY, Administrator
N. H. KEITH, Director, Slum Clearance and Urban Redevelopment

BOARD OF ESTIMATE OF THE CITY OF NEW YORK

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COMMITTEE ON SLUM CLEARANCE PLANS

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PHILIP J. CRUISE, Chairman, New York City Housing Authority
LAZARUS JOSEPH, Comptroller
JOHN P. McGrath, Corporation Counsel
JOHN C. RIEDEL, Chief Engineer, Board of Estimate

GEORGE E. SPARGO, Assistant to Chairman
HARRY TAYLOR, Director
JOHN J. BEGGS, Assistant Director

CONSULTANTS

VOORHEES WALKER FOLEY & SMITH, Architects & Engineers
SKIDMORE, OWINGS & MERRILL, Coordinating Architects
CHARLES F. NOYES COMPANY, INC., Real Estate Consultants
WOOD, DOLSON COMPANY, INC., Real Estate Consultants
REDEVELOPMENT PLAN

Advances in the techniques and goals of urban housing design, broader land-assembly powers embodied in state and city laws, and more flexible financing arrangements incorporated in the Federal Housing Act of 1949, make possible more liberal treatment of this redevelopment project than has heretofore been possible within the city. The population density is to be reduced to a level at which light and open space may be re-introduced into the area, and at which the total load on surrounding utilities — streets, piped services, etc. — will be reduced or at least not increased. A measure of diversification is to be embodied in the economic re-use of the land, permitting well designed shopping and commercial recreation facilities to yield revenues for the project and provide some local employment opportunity. The special character of the adjoining community as an artistic center is recognized, and it is proposed to bring into the new community some of the desirable and characteristic existing neighborhood activities, thru the provision of a portion of studio quarters for craftsmen and artists, and of an exhibition gallery. Offstreet parking area for 241 automobiles (about 30% of the total number of apartments) is to be provided in accordance with current ordinance requirements.

The plan as actually evolved to meet these requirements was conditioned by a number of given factors in and adjoining the site. St. Anthony’s Church and School together with the Convent of the Franciscan Sisters in the north section, indicated a logical extension of a park and recreation area in connection with this grouping, and a one and a third acre city playground was accordingly planned to the south. The Fifth Avenue south frontage along the eastern boundary offered suitable location for a shopping and theatre group, in connection with a projected street widening here, and also to serve as a buffer against the intensive commercial district to the east. The Avenue of the Americas on the other hand, with its heavy thru-traffic, was treated as an expressway to be shielded by planting and parking areas in part and with non-conflicting business uses in the northwest corner. One recently built apartment building was left standing on this frontage and excluded from project boundaries, because of its character and value.

In the southwest corner, the library service building new under construction by the city was utilized as a small nucleus of civic services, and space was allotted adjoining it for a new precinct police station to replace the West Houston Street Station scheduled for demolition.

The remaining open space, totaling about 7.7 acres, was available for the actual housing. Considerable study of various unit schemes at several heights and with various typical plans, culminated in a design for six apartment structures, three of 15 stories and three of 20 stories, enclosing some 3275 rental rooms or 792 family dwelling units, distributed amongst 1, 2 and 3 bedroom sizes in accordance with customary rental practice for Manhattan. It was found possible to place these buildings on the site in an informal and architecturally pleasing fashion, with the minimum of mutual interference. Five were grouped unsymmetrically about a central green quadrangle. The remaining one apartment building is in the southeast corner of the site.

Orientation studies were made to insure full exposure to sunlight, while cross vistas were arranged to allow a depth of view from all exposures. A system of foot paths interconnected the various components of the plan, with four parking lots, broken into tree shaded lanes, occupying strategic areas around the periphery of the housing campus.

The population density resulting from this scheme is approximately 102 families per acre, based on the land actually occupied by housing, and 66 families per acre, based on the area of the land bounded by the main bordering streets. This contrasts markedly with the existing density of 130 families per acre, exclusive of streets. The site has 1680 dwelling units now whereas the redevelopment plan proposes 792.

Similarly the land coverage of the area is sharply reduced to approximately 13.2% of the housing area.

All site drawings in this and the Washington Square reports show 7 apartment buildings for the South Village site. A required late version substitutes probable commercial use for the 8th building shown at the N.W. Corner of site. The financial plan was adjusted accordingly.
This fourteen acre tract in the heart of lower Manhattan bounded by West Houston Street, Fifth Avenue South, Prince Street and Avenue of the Americas, is one of seven sites selected by an especially appointed Mayor's Committee for possible clearance and redevelopment under the Federal Aid legislation of 1949, in conjunction with private sources of capital. It lies within an area (M-20 in the "City Planning Commission Master Plan of sections containing areas for clearance, redevelopment and low Rent Housing") earmarked in 1940 and confirmed in 1949 by the City Planning Commission as suitable for housing redevelopment.

The location, at the lower fringes of the Washington Square district, in a decaying transitional zone between good or relatively good residential sectors, several blocks to the north, and the intensive commercial, manufacturing and shipping districts to the south and west, was selected as a strategic point for the provision of acutely needed housing facilities within the borough. Convenient to principal north-south rapid transit lines, fronting on the dense and diversified employment-demand of lower Manhattan, and within walking distance of a significant part of it, a planned residential district here would simultaneously provide a greatly improved home environment for workers within the area, and a measure of relief from the congestion and expense of inter-borough commutation. Additionally, through proper integration within an adjacent redevelopment area to the north, and with the Washington Square and Greenwich Village community in general, it would serve to safeguard an important residential portion of the city from further deterioration. Lastly, through elimination of an inefficiently plotted and obsolescently built-up district of mixed and conflicting land-uses, it would enhance the functional effectiveness, and consequent value, of the environs.
Two variants of a basic rectangular floor plan were developed to meet the space and dwelling unit requirements of the program. Type "A" provided six 2-bedroom and one 3-bedroom apartments on a slightly smaller area (7250 sq. ft.). The gross area per room averaged slightly under 260 sq. ft.

The building plan was organized around a central elevator-stairwell core and symmetrical corridor. An enlarged central bay made possible satisfactory proportioning of the living rooms of the inner apartments and gave these rooms a corner exposure. This contemporary residential practice was adhered to in the layout of all apartments; access to bedrooms was kept separate from access to living rooms, bathroom areas were opened into bedroom-wing corridors; and a full complement of clothes, linen and bedroom closets provided. In the 3-bedroom apartments, a separate service entrance to the kitchen was found feasible and desirable. Type "E" floor plan consisted of a portion of the inner 1-bedroom apartments, provision for a "nursery" alcove off the bedroom, as an alternative to breaking up the space in the kitchen. This arrangement was prompted by the needs of younger couples with infants.

Top floors of "D" units were assigned to eight studio apartments with space concentrated in a working studio large enough for serious use by painters, sculptors or craftsmen, and with utility spaces limited to a small kitchen, and a bath with adjacent dressing room.

The smaller central floor areas of the "E" units impose space restrictions on the corresponding apartments here, which were accordingly planned as studio-living room units, rather than working ateliers.

APARTMENT DISTRIBUTION AND STATISTICS:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Total No.</th>
<th>Percent Total</th>
<th>Total Rent Pr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type E</td>
<td>3 stories</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td>3 stories</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

TENANT RELOCATION

NEW YORK CITY HOUSING AUTHORITY
63 Park Row
New York 7, N. Y.

October 16, 1950

Honorarble Robert Moses, Chairman
Committee on Slum Clearance Plans
Office of City Construction Co-Ordinator
New York 35, New York

Dear Mr. Moses:

In accordance with your request of October 2nd, 1950, we have carefully reviewed the Tenant Relocation Surveys of the Title I Slum Clearance Projects. Our analysis indicates the following estimated relocation possibilities for low-rent housing.

<table>
<thead>
<tr>
<th>Site</th>
<th>Total No.</th>
<th>Percent Eligible for Low-Rent Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Village</td>
<td>1680</td>
<td>587 35%</td>
</tr>
<tr>
<td>Washington Square</td>
<td>2464</td>
<td>370 15%</td>
</tr>
<tr>
<td>Security Hook</td>
<td>718</td>
<td>172 24%</td>
</tr>
<tr>
<td>Delancy Street</td>
<td>1569</td>
<td>581 37%</td>
</tr>
<tr>
<td>North Harlem</td>
<td>920</td>
<td>368 40%</td>
</tr>
<tr>
<td>Harlem</td>
<td>1683</td>
<td>1010 60%</td>
</tr>
<tr>
<td>Williamsburg</td>
<td>3292</td>
<td>823 25%</td>
</tr>
<tr>
<td>Totals</td>
<td>12326</td>
<td>3911 31.7%</td>
</tr>
</tbody>
</table>

The Authority's anticipated schedule of construction is estimated at 50,000 to 55,000 units under Title III of the Federal Housing Act, and an additional 24,000 units in the New York State Housing Program. It is the Authority's intention to have this program provide suitable dwellings for all the families eligible for low-rent housing. The Authority expects that its construction schedule will be timed so that the necessary apartments are available as required during the site clearance process.

The above relocation analysis was based on the following factors which our experience has indicated to be most applicable to the problem:

1. Generally families earning up to $2500 per annum are considered eligible for low-rent housing at present income limits for admission. Single person families, most of whom are estimated to earn less than $2500, were not considered. They may not be admitted to Federally-aided Housing Developments, and there are only a limited number of such units in State-aided Projects. Concern was given to the fact that income limits for the smaller non-veteran families are less than $2500, while income limits for non-veteran large families are the persons born after 1914. In addition, income limits at State-aided Projects for veteran families of all sites are higher than the income limits for non-veteran families.

Title I of the Housing Act of 1949 fixes the conditions and responsibilities regarding relocation by a local public agency under Section 105 (c) as follows:

"Contracts for relocation services shall require that... there shall be a feasible method for the temporary relocation of families displaced from the project area, and that there are being provided in the project area or in other areas not generally desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment."

Information on a local and economic nature was ascertained regarding the families to be relocated, complete reports of properties on the sites were verified through building and field inspections, listed by block numbers, lot numbers, addresses, conditions, numbers of apartments, owner occupants, and vacant stores in residential buildings, non-residential properties were designated and corresponding summaries were made. Apartment data was broken down according to numbers of rooms per units related to rentals, and apartment facilities were broken down according to central heating and hot water facilities. In the absence of heat, cold water and lack of heat and hot water, complete bathrooms and separate toilets. Estimates were made of family income brackets related to rental ranges. Further estimates were made of the numbers of persons occupying specific numbers of rooms and the relocation preferences of all families.

Site tenants who will have to be displaced in the Slum Clearance Program fall into two broad groups each of which requires different methods. One group, due to low earnings, consists of families ELIGIBLE for public housing. The other group, earning above applicable limits, is INELIGIBLE.

To cover families ELIGIBLE for publicly assisted housing an inquiry was directed by the Chairman of the Committee on Slum Clearance Plans to the Chairman of the New York City Housing Authority as to accommodations to the Authority could offer these ELIGIBLE families. Under the Housing Act of 1949 prior Title I projects are eligible if the site tenants on property approved Title I projects for admission to any Title III Federally aided local project. A reply to the letter of inquiry indicates that 50,000 to 55,000 units under Title III Federally aided housing will be preponderantly more than enough to take care of the estimated 3,911 families ELIGIBLE. A copy of the reply follows:

"...
The effect of each of these factors on eligibility with respect to each site studied were estimated to arrive at the result indicated.

Another of interest operating sites is that the proportion of families relocated to self-acquired accommodations in privately owned real estate range from 23% to 41% of those vacating, varying in accordance with differences in site occupancy and other site conditions.

Sincerely yours,

PHILIP J. CRUISE
Chairman

Of the tenants INELIGIBLE for admission to public housing more than half will receive preferential status and can be taken care of in the 11,000 dwelling units proposed to be built under Title I itself. The remaining INELIGIBLE tenants, according to the experience of the New York City Housing Authority as indicated by the following survey "Removal Experiences of the New York City Housing Authority in Tenant Relocation" indicates that this group of tenants will prefer to relocate themselves. Available to this group are approximately 20,000 annual vacancies occurring in the normal course of events through deaths, circulation within the City and removal from the City of other families. According to routine construction figures about 80,000 new dwelling units are being or will be built within the City of New York within the near future.

In addition, it is contemplated that a private local relocation service be engaged to establish an office at each clearance site. This private agency is to be directed, supervised and controlled by the City of New York Bureau of Real Estate to assure compliance with the intent of local and Federal laws and regulations, eviction procedures, and management policies and the encouragement of speed in clearing the sites for eventual Title I redevelopment. Listings of vacancies will be solicited and, if necessary, purchased from local real estate brokers. The cooperation of local welfare agencies, newspapers, radio and television stations, real estate boards and agencies, civic organizations, and religious groups will also be enlisted.

In stimulating independent relocation, emphasis must be placed upon site families making every reasonable effort to relocate themselves in apartments of their own choosing. Where such tenants are not able to relocate themselves the relocation service will assist them. Obviously the work of site clearance will be accelerated if a greater number of tenants relocate themselves. Self-relocation also reduces to a great extent the difficult relations arising out of urging on families a choice which is not their own. Under the self-inexpending scheme relocation is piece-meal demolition of buildings as vacated and financial contribution to the site families who relocate themselves.

Provisions of Title I also require a feasible method for the Temporary Relocation of families living in a project area. This provision is intended to meet a situation in which it may not be possible in undertaking a project to secure a feasible method specified for the permanent rehousing of such families. Temporary rehousing is required to be at rents comparable to those paid by displaced families to be relocated and generally no less desirable as to standards. These requisites are met by progressing the construction in sections through rehousing the tenants in partially vacated buildings combined with the use of vacant land and business and commercial properties. The relocation will vary with each project.

In order to set at rest any fears, families are assured that relocation help will be readily available and there is a frank desire to be of maximum assistance in carrying out the individual wishes of each family. Emphasis is placed on the preferential eligibility of site tenants to return to the project when completed, or if eligible, to be admitted to publicly aided housing. Letters in simple understandable language will be circulated to the site tenants advising them of relocation policy, and their rights to admission in the proposed projects or in existing dwelling units. Consistent with a policy of keeping the site occupants well informed, personal interviews will be conducted to help and encourage occupants to move.

The total number of families break down as follows:

<table>
<thead>
<tr>
<th>Site</th>
<th>Total Families</th>
<th>Eligible for Housing</th>
<th>Will Relocate</th>
<th>Number in Project</th>
<th>Self-Relocate</th>
<th>Outside Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Village</td>
<td>1,680</td>
<td>587</td>
<td>546</td>
<td>547</td>
<td>544</td>
<td></td>
</tr>
<tr>
<td>Washington Square</td>
<td>2,464</td>
<td>370</td>
<td>1,047</td>
<td>1,047</td>
<td>1,047</td>
<td></td>
</tr>
<tr>
<td>Corlears Hook</td>
<td>718</td>
<td>172</td>
<td>273</td>
<td>273</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delancey Street</td>
<td>1,569</td>
<td>581</td>
<td>494</td>
<td>494</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Harlem</td>
<td>920</td>
<td>368</td>
<td>276</td>
<td>276</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harlem</td>
<td>1,683</td>
<td>1,010</td>
<td>336</td>
<td>336</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Williamsburg</td>
<td>3,292</td>
<td>823</td>
<td>1,234</td>
<td>1,234</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Removal Experiences of the New York City Housing Authority in Tenant Relocation — as of 9/1/50

Included in "A Guide to Slum Clearance and Urban Redevelopment Under Title I of the Housing Act of 1949" as revised July 1950, on page 27 is a requirement that the local agency describe the adequacy of the relocation service established or utilized by the local public agency. Typical of this service is Wood, Delson Company, Inc., which has prepared this tenant relocation report. It is a real estate service organization established for more than half a century. It maintains fully staffed departments in listing and renting apartments, tenant relations, management, brokerage, maintenance engineering, accounting, appraising and insurance. It has available trained personnel, exhaustive records and up to date tax maps. It will be advantageous to combine the functions of tenant relocation, management and demolition in a single office. The types of properties such companies currently deal with cover the types found on the slum sites and those proposed to be erected.

In redeveloping an area such as the South Village site, it is feasible to carry out both demolition and new construction in at least two progressive stages. By demolishing only once section of the site it is possible to leave the other residences undisturbed until the first section of new apartment buildings is completed. Where possible the first section is chosen to include vacant land and a large proportion of industrial and commercial buildings. The last section to be developed appears to be that where future stores or parking areas will be situated.

The first step in tenant relocation is to ascertain which tenants are eligible for public housing and to help them move into existing projects. Of the 1680 families on the South Village Street site it is estimated that 587 or 35% will be eligible for public low rent housing and can move as soon as vacancies are available. This will leave empty apartments on the site for the temporary use of those families who are waiting to move into the first of the new apartments in the redevelopment.

Of tenants not eligible for public housing there will be an estimated 547 families or 32/4% who will prefer to relocate themselves and who will be given all possible assistance. It is estimated that an equal number will choose to move into the redevelopment itself and will be given preferential status. These families may need only temporary accommodations until the project is completed.

There will be more apartments available for site tenants if more than the number we have estimated do prefer to stay within the project. In the Washington Square South and South Village projects combined there will be approximately 2750 new apartments other than public housing whereas we have only estimated approximately 1600 families who wish to relocate in the combined projects. They will also be given preference in other Title I projects.
VI COST ESTIMATES & FINANCIAL PLAN

SOUTH VILLAGE SITE

**ESTIMATED COST OF PROPOSED REDEVELOPMENT**

<table>
<thead>
<tr>
<th>Component</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LAND:</strong></td>
<td></td>
</tr>
<tr>
<td>Appraised Resale Value as if Cleared</td>
<td>$2,980,000</td>
</tr>
<tr>
<td>Less: Demolition and Tenant Relocation</td>
<td>$925,000</td>
</tr>
<tr>
<td>Resale Value of Land in its Present Condition</td>
<td>$2,055,000</td>
</tr>
<tr>
<td><strong>BUILDING:</strong></td>
<td></td>
</tr>
<tr>
<td>Field Cost of Structures</td>
<td>$8,805,500</td>
</tr>
<tr>
<td>Architects’ Fee</td>
<td>300,500</td>
</tr>
<tr>
<td>Total Structural Cost</td>
<td>$9,106,000</td>
</tr>
<tr>
<td>Cost of Landscaping and Site Improvements</td>
<td>433,500</td>
</tr>
<tr>
<td>Total Cost of Buildings and Site Improvements</td>
<td>$9,539,500</td>
</tr>
<tr>
<td><strong>PROJECT:</strong></td>
<td></td>
</tr>
<tr>
<td>Interest on Land during Construction</td>
<td>$178,800</td>
</tr>
<tr>
<td>Interest on Building during Construction</td>
<td>285,525</td>
</tr>
<tr>
<td>Total Interest on Working Capital</td>
<td>$464,325</td>
</tr>
<tr>
<td>Real Estate Taxes on Land during Construction</td>
<td>166,470</td>
</tr>
<tr>
<td>Total Interest, Taxes &amp; Financing during Construction</td>
<td>$190,350</td>
</tr>
<tr>
<td>Total Estimated Cost of Building</td>
<td>$10,338,645</td>
</tr>
<tr>
<td><strong>TOTAL ESTIMATED COST OF PROJECT</strong></td>
<td>$13,318,645</td>
</tr>
</tbody>
</table>

**FINANCIAL PLAN FOR PRIVATE DEVELOPER**

Cost of Land at Appraised Resale Value as if Cleared | $2,980,000
Estimated Cost of Buildings as of date of completion, including all fees, taxes and financing | $10,328,645
Total Estimated Cost of Project | $13,318,645

**Estimated Rental Value**

- Apartments: 3275 rental rooms @ $53 per room per month or $376 per room per annum | $1,286,900
- Stores: 55,000 sq. ft. basement @ 50c | 27,500
- Stores: 55,000 sq. ft. grade fl. @ $2.30 | 192,500
- Commercial Space: 20,000 sq. ft. basement @ 50c | 10,000
- Commercial Space: 20,000 sq. ft. grade fl. @ $2.50 | 70,000
- Theatre: 900 seats @ $75 per annum net rental income | 67,500
- Parking Space: 241 cars @ $1.20 | 28,920

Total Estimated Rental Value | $1,693,320
Less: Vacancy Reserve of 7% | 118,532
Effective Rental Value | $1,574,788

**Operating Expenses**

- Apartments: 3275 rental rooms @ $90 | $294,750
- Stores: 110,000 square feet @ 20c | 22,000
- Commercial Space: 40,000 sq. ft. @ 20c | 8,000

Total Operating Expenses | $324,750
Real Estate Taxes | 230,000

Net Return on a Free and Clear Basis | $654,750
Net Return on a Free and Clear Basis | $920,038
Percentage of Net Return on Investment | 6.91%
TRANSPORTATION

Due to the proposed reduction in total population within the redevelopment area, existing transportation facilities are ample. The site is bordered by the Independent subway line on the west, with a local station at Spring Street, while the Prince Street station of the B.M.T. is four short blocks to the east. Cross-town transportation is furnished by the Spring and Delancy Bus line which feeds to the east by way of Spring and Prince Street and to the west by Browne Street connecting between these points via Fifth Avenue South the east boundary of the project. Additional cross-town service is provided by the Houston Street line which feeds east and west along the north boundary of the project.

STREETS & LOCAL TRANSPORTATION

Since an important consideration in the selection of the site was its freedom from traffic thru-ways, it was possible to close all streets, and plan from the point of view of internal circulation and parking access only. It was found convenient however, to retain Thompson Street for two-thirds of its length to provide service access to the retail block, with a short new connection eastward into Fifth Avenue South at the southern end of the shopping center. MacDougal and Sullivan Streets adjacent to the parochial school were also retained and cross-connected at their lower ends, to provide street access for the school and church buildings and for the playground. About 2.7 acres of streets are thus scheduled for abandonment by the city, while 0.3 acres of new streets will have to be created. This does not include the frontage necessary for the widening of Fifth Avenue South.

The present small city-owned Thompson Street playground (75 x 100 feet) will be replaced by the new 1.35 acre playground planned in the north central portion of the site. The library service building in the southwest corner will be retained, and a small area of municipal services centered here through the construction of a new police precinct station to replace the West Houston Street Station scheduled for demolition.

COMMUNITY FACILITIES

From the site of South Village, public transportation lines are very conveniently accessible. North, South and crosstown bus lines pass through adjacent streets, and there are subways at Seventh Avenue and Avenue of the Americas. The Manhattan end of the Holland Tunnel is located approximately one-quarter mile to the West. A new shopping center, including a motion picture theater, has been planned as part of the development, adjacent to the residential area, and accessible without the necessity of crossing any main through streets or avenues.

There are churches of various denominations within easy walking distance of South Village, including one with a Parochial School adjacent to the North side of the area. The Washington Square Branch of New York University lies two blocks to the North.

The existing public playground on the site, will be replaced by a new playground, designed as part of the development, and accessible without the necessity of crossing any street whatsoever. Similarly located on the edge of the residential area will be a new Police Precinct Station.
IV EXISTING ZONING

The present zoning of the project area (which is extensively violated in principle because of non-conforming uses) is as indicated in the maps on the facing page. A brief summation of the definition of the various zones follows:

USE DISTRICTS
Residential: The most restricted area and limited as the file indicates to primarily residential use. Unrestricted: An area which is the least restrictive of all areas.
Manufacturing: Primarily manufacturing with certain restriction.
Business: Allows business and certain non-nuisance type of manufacturing.
Retail: Primarily retail with certain business and recreation activity allowed.
Local Retail: Primarily local retail and some local business restricted below the level of the first story ceiling with no manufacturing of any type allowed.

V PROPOSED ZONING

Zoning proposals for the area are relatively simple; over-all use classification as Residential being recommended for all of the project except the east block of shops and the northwest corner, for which Retail classification would be appropriate. An approval under S21-F will be required for the proposed gas station on the corner of West Houston Street and Avenue of the Americas.

It is not proposed to change the zoning of the Chariton Court Apartments, the church properties or the Library Service Building, as they are not included in the project. The existing Retail District bordering Fifth Avenue South will be reshaped as indicated on the map to encompass the proposed shopping area. Local retail will change to Retail along part of Avenue of the Americas. This classification will cover any type use appropriate to the area.

No change is proposed in the height or area districts as the project as proposed will not be built within the present restrictions.

VI UTILITIES

Due to the lowering of occupational density on the entire site, no major change was found necessary in the existing piped utilities. Minor re-routings of sewerage lines were worked out to by-pass the foundations of two of the apartment buildings, necessitating the abandonment of street mains totaling less than 15% of the footage affected by the project. A slightly higher percentage of new construction was indicated, including house lines to the new buildings. The water distribution system, both domestic and high pressure, was similarly handled. It was found possible to locate the new buildings so that existing hydrants would largely serve for fire protection, and so that paved access for fire-fighting equipment, ambulances, moving-vans, and necessary equipment is adequate.

It is proposed that the city retain the necessary land easements to provide for access to subsurface utility lines.
DEMONSTRATION OF SLUM CONDITIONS

I. LAND USE
II. CONDITION OF EXISTING STRUCTURES
III. AGE OF EXISTING STRUCTURES
IV. LAND COVERAGE
V. POPULATION DENSITY
VI. TENANT DATA

1. FAMILY COMPOSITION IN RELATION TO SIZE OF DWELLING UNIT
2. FAMILY INCOME IN RELATION TO RENTALS
3. RENTALS
4. TYPES OF DWELLING UNITS
5. HEATING AND SANITARY FACILITIES
Six city blocks plus two triangular block fragments, extending from West Houston Street south to Spring Street, and from the Avenue of the Americas east to Fifth Avenue South, comprise the specific area of this proposal. The total acreage involved is 12.85, exclusive of city streets. Uses of this land display the characteristics of a declining urban residential area. A predominant portion of the building lots are still covered by dwellings, predominantly of the substandard tenement type and including fully occupied rear yard tenements without access except through other tenements. Commercial and automotive uses have penetrated some buildings, particularly on Thompson Street. Most of these uses are in converted loft structures, although at the corner of Prince and Thompson Streets there is a plastics plant in a one-story building built for manufacturing. Vacant lots and the small play lot provide an extremely low percentage of open area.
No buildings of architectural, historical or other special merit are found within the area, with the exception of St. Anthony’s R.C. Church in the north third of block 517, with a school and convent to the west.

Over 99% of the residential buildings may be classified as walk-up tenements, and some 68% are lacking central heat. The major fraction (75%) lack private bathrooms, as compared with a corresponding figure of 19% for Manhattan and 9% for the entire city. None has an elevator, and none is of fireproof construction. Their present condition lies about equally between “run-down” and “fair,” with very few buildings classifiable as “well-kept.”

The categories of residential buildings as shown on the accompanying maps are defined as follows:

To rate “Excellent” a building would have to be new or recently renovated. It would have to be maintained in spotless condition and top-notch repair.

Meeting the “Well-kept” grade an older building had to be very clean, requiring no major repairs or painting.

A “Fair” building was one that was moderately clean and tidy, and perhaps required some painting and repairs.

Labeled as “Run-Down” a building would need drastic restoration to be brought into decent shape. Such a building might have deteriorated to the stage of being an object for demolition.

It must be remembered that in all the above categories except “Excellent” the buildings are sub-standard and are slums despite the manner in which they may be maintained.
The great majority of the residential buildings were erected before 1914. Many are "old law" tenements with thoroughly inadequate light and air, lacking central heating and having no individual toilets for each apartment. Others are of the "new law" tenement type with somewhat larger inner courts, but still highly deficient for light and air, and provide exceedingly inadequate accommodations by reasonably modern standards.

An inspection of the map on the opposite page shows that only a very small percentage of the residential structures on the site comply with the requirements of the Multiple Dwellings Law of 1929 which provides much higher standards for light, air and safety of the occupants.

The non-residential structures are in many instances converted residential buildings.

It will be noted that the map also reveals that only a small number of the residential buildings have been erected since 1916.
Within the 675,000 gross square feet covered by this site, the land is divided into some 212 separate parcels carrying 160 buildings ranging in height from 3 to 7 stories. Over 85% of the land within private property lines is covered by structures, and nearly 40% of the gross area is occupied by public streets.

It is important to note that over the past twenty-five years there has been little new building within the area, and that demolition has actually exceeded new construction. The narrow spaces between buildings are of little value as a source of light and air.
Some 1680 families live within the confines of the proposed project—a present population density of about 400 persons per net residential acre. Lot by lot densities show a much higher figure. Yet there has been a general decline in total population here since 1920, due to the encroachment of commercial uses. The family income averages somewhat lower than for the city as a whole, since 72% of families have earned less than $3000 per year, all wage earners included.

Open land and recreation space is extremely limited; backyards being narrow and dark, and sidewalks and streets congested. A 100 ft. by 75 ft. playground on Thompson Street equipped for younger children (of which there are approximately 1000 within the area) and three temporary play strips bordering West Houston Street for older teen-agers, altogether totaling about one acre, offer the only facilities. The density of use of recreation facilities is thus about 1/5 acre per thousand population, which may be contrasted with the "emergency minimum" for hygienic environment, set by the American Public Health Association at 2 acres per thousand.

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VI. TENANT DATA

To determine the housing needs of families displaced by this project and to prepare plans for the relocation of such families, data is presented on the accompanying charts describing and enumerating the types of structures, the various facilities of the residents and the economic circumstances of the site residents.

Building by building and lot by lot field inspections were made of each and every parcel. Addresses, blocks, lots, and specific types of buildings were reported, checked in the field and rechecked with Bromley atlases and official New York City tax maps.

Tabulations were made of the total numbers of apartments and families, of the layouts in each residential building, owner-occupancy obtained from deeds and field interviews and numbers of occupied and vacant stores. Apartment data was categorized according to rental brackets and numbers of rooms. In addition this same data was presented according to family incomes and sizes both by numbers and percentages.

Apartments were further classified by facilities into those having central heat, those having hot water and no heat, and those having only cold water. Sanitary equipment was also listed as to complete bathrooms and separate toilets per one and two families.

Based on a sampling of typical families comprising a fair cross-section of all parts of each area estimates of the yearly incomes relating to the monthly rentals of all families were made. These estimates were presented both by the numbers of families and their corresponding percentages of the total. Additional estimates were made relating to the number of persons per dwelling unit and the number of rooms they occupied.

Relocation preferences of the families interviewed were obtained and then summarized by the numbers of families showing preferences for one area or another with the ratios of each preference group to the whole.

Besides the field inspections and interviews factual data was obtained from the New York State Rent Commission and the City of New York Department of Housing and Buildings, Tax Department and Department of Welfare.

FAMILY INCOME IN RELATION TO RENTALS

YEARLY INCOME

<table>
<thead>
<tr>
<th>NO. OF FAMILIES</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1999 &amp; UNDER</td>
<td>17.62%</td>
</tr>
<tr>
<td>$2000-2499</td>
<td>29.94%</td>
</tr>
<tr>
<td>$2500-2999</td>
<td>26.06%</td>
</tr>
<tr>
<td>$3000-3499</td>
<td>10.48%</td>
</tr>
<tr>
<td>$3500 &amp; OVER</td>
<td>15.90%</td>
</tr>
</tbody>
</table>

$15 & UNDER UNDER $16-20 $21-25 $26-30 $31-40 $41-50 & OVER

$50 & OVER

KEY TO AMOUNT OF MONTHLY RENTALS

AS SHOWN IN GRAPH ABOVE

NO. OF APTS. OF GIVEN RENTAL ARE SHOWN BY NOS. BELOW BAR

FAMILY COMPOSITION IN RELATION TO SIZE OF DWELLING UNIT

NO. OF PERSONS PER FAMILY NO. OF FAMILIES % OF TOTAL

<table>
<thead>
<tr>
<th>PER FAMILY</th>
<th>0</th>
<th>50</th>
<th>100</th>
<th>150</th>
<th>200</th>
<th>250</th>
<th>300</th>
<th>350</th>
<th>400</th>
<th>450</th>
<th>500</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>86</td>
<td>109</td>
<td>33</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>78</td>
<td>218</td>
<td>126</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>37</td>
<td>245</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>16</td>
<td>126</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>43</td>
<td>86</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 &amp; OVER</td>
<td></td>
<td>4232</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL 1680 FAMILIES

KEY TO SIZE OF DWELLING UNIT

2 RMS. 3 RMS. 4 RMS. 5 RMS. 6 OVER

NO. OF D.U. OF GIVEN SIZE IS SHOWN BY NOS. BELOW BAR

RENTALS

MONTHLY RENTALS

<table>
<thead>
<tr>
<th>NO. OF DWELLING UNITS</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15 &amp; UNDER</td>
<td>20.36%</td>
</tr>
<tr>
<td>$16 TO 20</td>
<td>24.18%</td>
</tr>
<tr>
<td>$21 TO 25</td>
<td>22.18%</td>
</tr>
<tr>
<td>$26 TO 30</td>
<td>14.11%</td>
</tr>
<tr>
<td>$31 TO 40</td>
<td>11.47%</td>
</tr>
<tr>
<td>$41 TO 50</td>
<td>7.00%</td>
</tr>
<tr>
<td>$50 &amp; OVER</td>
<td>0.70%</td>
</tr>
</tbody>
</table>
### Types of Dwelling Units

<table>
<thead>
<tr>
<th>Type of Dwelling</th>
<th>No. of Bldgs.</th>
<th>No. of Dwelling Units</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Owner Occupied</td>
<td>2</td>
<td>200 400 600 800 1000 1200 1400 1600</td>
<td>0.12%</td>
</tr>
<tr>
<td>Single Family Tenant Occupied</td>
<td>2</td>
<td>200 400 600 800 1000 1200 1400 1600</td>
<td>0.12%</td>
</tr>
<tr>
<td>Two Family Dwelling</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Walk-Up Tenement</td>
<td>122</td>
<td>1675</td>
<td>99.70%</td>
</tr>
<tr>
<td>Elevator Apartment</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Rooming House</td>
<td>1</td>
<td>0</td>
<td>0.06%</td>
</tr>
</tbody>
</table>

### Heating and Sanitary Facilities

<table>
<thead>
<tr>
<th>Type of Dwelling</th>
<th>No. of Dwelling Units</th>
<th>% of Type</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Central Heat &amp; Hot Water</td>
<td></td>
<td>25.92%</td>
<td></td>
</tr>
<tr>
<td>A. Complete Bath Room</td>
<td>0</td>
<td>402</td>
<td>73.13%</td>
</tr>
<tr>
<td>B. Separate Toilet (1 per D.U.)</td>
<td>0</td>
<td>294</td>
<td>26.87%</td>
</tr>
<tr>
<td>C. Shared Toilet (1 per 2 D.U.)</td>
<td>0</td>
<td>108</td>
<td>0.00%</td>
</tr>
<tr>
<td>2. Hot Water - No Central Heat</td>
<td></td>
<td>68.73%</td>
<td></td>
</tr>
<tr>
<td>A. Complete Bath Room</td>
<td>0</td>
<td>243</td>
<td>22.80%</td>
</tr>
<tr>
<td>B. Separate Toilet (1 per D.U.)</td>
<td>0</td>
<td>704</td>
<td>77.20%</td>
</tr>
<tr>
<td>3. Cold Water - No Heat or Hot W.</td>
<td></td>
<td>5.35%</td>
<td></td>
</tr>
<tr>
<td>A. Complete Bath Room</td>
<td>0</td>
<td>83</td>
<td>59.00%</td>
</tr>
<tr>
<td>B. Separate Toilet (1 per D.U.)</td>
<td>0</td>
<td>49</td>
<td>41.00%</td>
</tr>
</tbody>
</table>
Within the boundaries of this site there are 173 separate parcels of real estate held in private ownership, in addition to 7 parcels owned by the City of New York. It is estimated that as of this date it would cost $6,800,000 to acquire that portion of the entire site in private ownership, in addition to an assessed valuation of $314,500 on the parcels now owned by the City or a total of $7,114,500. However, from these totals must be deducted the estimated acquisition cost of those properties which are to be left remaining on the site, reducing the cost to $4.400,000 for private property and $205,500 for City owned property. On a square foot basis, this works out to a cost of $14.16 per square foot of private property acquired.

In arriving at this estimate as to the probable cost of acquisition, the reader is concerned with the method of acquisition, and also took into account all of the factors affecting the value of the properties under consideration, such as the present and condition of the improvements on the site, the general neighborhood including transportation, educational, cultural and religious facilities, prevailing rentals, value as evidenced by recent sales of properties within the site, and decisions of the Court in condemnation cases.

As to the method of acquisition, it is considered probable that by far the larger portion of this land will have to be acquired by the City of New York through the exercise of its right of eminent domain. Extensive study of the assemble of substantial plots within the City during the recent past leads to the conclusion that it is virtually impossible to assemble a site more sizeable than two acres without resorting to condemnation.

Present Use and Condition of Buildings on Site:

Of the three blocks comprising this site, two are primarily residential in nature, while the third is divided almost equally between residential and commercial uses. Almost all of the commercial buildings cover the entire plot, with some having narrow courts at the rear above the first floor. There are several garages and warehouses, and a number of loft buildings with store and show-room space. These are old loft buildings of light-frame construction; many are used for manufacturing.

The residential buildings include many of the older types of apartment construction; there are several lots with front and rear tenements, with small courtyards between; there are dumbbell type tenements; and there are a number of apartment buildings with narrow air shafts. There are also several converted dwellings.

There are no elevators in the residential properties, despite the fact that some of the tenements are five and six stories high. Most of the buildings were erected prior to the establishment of present restrictions, and do not conform to the present standards. Land coverage averages between 70% and 80% of the plot, and density is over 700 persons per acre.

Further evidence of the sub-standard nature of the housing now in existence on this site is found in the Wood, Colson & Company report, which indicates that only 23% of the apartments provide central heating and complete bathrooms and that 16% of the apartments do not even have individual toilets for each family.

Surrounding Neighborhood:

To the north of this site are three blocks of a highly similar nature, new under consideration as an extension of the current plan for redevelopment of this site, or similar redevelopment. Beyond to the north is the Washington Square Site. To the northeast, east and southeast, there are solid blocks of five and six story loft buildings. This area to the east embraces one of the most intensively developed of the older manufacturing and industrial sections of Manhattan.

To the south, the neighborhood is similar to that of the site in question, with a preponderance of old low tenements. To the west is a more modern industrial and commercial development, with fireproof loft and factory buildings, as well as several publishing houses. To the immediate west on Van Dam and Charleston Streets there are a number of private homes and converted dwellings.

Transportation facilities are adequate. There is a station of the Sixth Avenue subway at Spring Street, and a station of the B. M. T. line at Prince Street. There are cross town bus lines on Houston Street and on Spring Street, and north-south bus lines on Broadway and on the Avenue of the Americas.

There is a Roman Catholic Church and school just north of the site, and a Presbyterian Church to the west. Churches of other denominations are at some distance from the site. There are two public schools nearby, one at the Avenue of the Americas between Broome Street and Dominick Street, and one on King Street between the Avenue of the Americas and Varick Street.

Prevaling Rentals:

The existing rentals in the neighborhood of this property for apartments in tenement buildings and for stores and lofts in commercial properties, although showing a rather satisfactory yield based upon the depressed value of these old buildings, would nevertheless be insufficient to return a reasonable profit upon the reconstruction value of the various structures. In other words, the rentals are on a very low level which reflects a satisfactory yield for sub-normal properties. This unique condition is one of the factors preventing the elimination of slums by the investment of private capital without the intervention of the municipality charged with the well-being of its citizens.
Value as Evidenced by Sales:

A search of recorded conveyances revealed that since January 1, 1947 there were 25 bona fide sales of properties within the boundaries of this site in addition to the few recorded mortgages. These sales were analyzed in detail and revealed the following indications of value:

The sales were made at considerations averaging 81% of the assessed valuation at the time of conveyance, and 79% of the 1950/51 assessed valuation.

There was a total area of 86,371 square feet involved in these sales; the total consideration paid was $533,658, an average land price of $4.09 per square foot. It might be well at this point to explain the method used in determining the value to which this consideration was attributable to land value. The consideration was allocated to land and building in the ratio existing between the land and building assessments at the time of the sales. While it might be argued that this method of analysis presumes too heavily upon the correctness of the assessed valuation, there is no other objective approach to a proration of the consideration. It would be fallacious for the appraiser to estimate the replacement cost of the building and deduct it from the consideration, thereby finding a residual land value, since the land may well be worth substantially more or less than its replacement cost. At an economic standpoint, and (b) the appraiser cannot project himself into the minds of both parties to each transaction in order to ascertain the opinion of the parties as to the relative worth of land and buildings in establishing the consideration to be paid by the buyer and accepted by the seller.

In a further study designed to determine the extent, nature, and trend of the market, the following figures were disclosed:

The sales covered 18% of the area of the site, and 17% of the 1950/51 assessed valuations of the site. The 25 sales covered 24 tax lots; there are 73 privately owned tax lots in the site, therefore the market covered 14% of the total number of tax lots in the site.

The sales are distributed with respect to type of improvement as follows:

<table>
<thead>
<tr>
<th>Type of Improvement</th>
<th>No. of Sales</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential, no stores</td>
<td>3</td>
<td>12.0%</td>
</tr>
<tr>
<td>Residential, stores on grade</td>
<td>14</td>
<td>56.0%</td>
</tr>
<tr>
<td>Unimproved lots</td>
<td>2</td>
<td>8.0%</td>
</tr>
<tr>
<td>Commercial properties</td>
<td>6</td>
<td>24.0%</td>
</tr>
<tr>
<td>Totals</td>
<td>25</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

In 1947 there were 7 transactions averaging 85% of assessed valuation; in 1948 there were 13 transactions averaging 86% of assessed valuations; in 1949 there were 3 transactions averaging 75% of assessed valuation; in 1950 there were 2 transactions averaging 63% of assessed valuation; a total of 25 transactions averaging 81% of assessed valuation.

Decisions in Condemnation Proceedings:

Since it is deemed probable that virtually all of the land for the proposed development will have to be acquired through condemnation, particular attention was devoted to the relationship between awards made by the New York State Supreme Court in the First Judicial District and the assessed valuation on the land as if cleared of all encumbrances.

The appraiser consulted with members of the Corporation Counsel’s staff, and studied the awards made in condemnation proceedings for the acquisition of land for public use, both for housing and other purposes, such as street widening, and for the acquisition of land to be resold to private investors for use in the public interest in the creation of new housing.

Statistical data in connection with the most pertinent of these awards has been made available to the Committee. It is sufficient to note here that during the past decade such awards have ranged from 83% of the assessed valuation to 128%, and that since the general improvement in the real estate market in 1947, in no instance have awards been lower than the assessed valuation.

Assessed Valuation:

In connection with this site, detailed studies were made of the assessed valuation of each tax lot for the tax years 1949/50 and 1950/51. A brief summary of the 1950/51 assessed valuations involved follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Land</th>
<th>Building</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Ownership</td>
<td>9</td>
<td>$122,500</td>
<td>$122,500</td>
</tr>
<tr>
<td>N.Y. City Owned</td>
<td>3</td>
<td>39,000</td>
<td>39,000</td>
</tr>
<tr>
<td>Totals</td>
<td>12</td>
<td>$161,500</td>
<td>$161,500</td>
</tr>
</tbody>
</table>

Improved Properties:

| Ownership | 164 | $4,632,000 | $2,916,000 | $1,716,000 | $161,500 |
| N.Y. City Owned | 4 | 225,000 | 50,500 | 275,500 |
| Totals | 168 | $4,877,000 | $3,466,500 | $1,404,500 |

Detailed studies upon which we have based our opinion as to the probable cost of acquisition of the site, and from which the formal report information has been abstracted, have been made available to the Committee.

In order to estimate the resale value of the land within this site, we have made an analysis of the proposed redevelopment plans for this area, and have determined, by an analysis of all factors affecting the value of the land in this site for the proposed redevelopment. We have come to the conclusion that the sale of this property would be $65.00 per square foot, or $283,140 per acre. Since the area to be developed for middle cost housing was determined to be 16,871 square feet, the total resale value as if cleared, of this portion of the site, would be $2,980,000. It should be borne in mind that in exercising the judgment made in connection with the present improvements, it will be necessary to apply a discount to the above value in order to compensate the purchaser for the attendant cost of obtaining possession from the present occupants of the buildings, and for the cost of demolition. It has been estimated that the resale value of the land in its present condition would amount to $2,055,000 or approximately $4.48 per square foot.

It has been planned by the Committee to develop an area of approximately 10.5 acres as a housing project, with a two-fold purpose:

(1) The elimination of a slum area.
(2) The alleviation of the shortage of residential space in the middle income brackets within the Borough of Manhattan in the City of New York.

As realtors, we have been asked to exercise our judgment with respect to the saleability of this area for housing of the desired type, (b) the economic feasibility of such an undertaking, and (c) the price which could be realized by the City of New York for the site if offered at public auction to private investors after its acquisition by the Committee through the use of its right of eminent domain.

Before reaching a conclusion in relation to the above points, we made a careful survey of the site and its surrounding neighborhood. The results of this survey and the surrounding neighborhood have been incorporated in our report relative to the probable acquisition cost of the property. Another conclusion which we must make before reaching our conclusions was the present market value of the land as used today, through an analysis of all factors affecting the resale value within the site according since January 1, 1947. The data relating to these sales was also fully discussed in our report and is contained within the appraisal.

Additional factors considered before reaching our final conclusions included a study of the cost attendant to the project, the rental value which could be obtained upon completion of the improvement, the expenses attendant to the operation of the completed structures, the yield that could reasonably be anticipated by a private investor on the over-all investment, and the potential value inherent in this land for the projected use.

Construction Costs:

Estimates as to the cost of constructing the proposed buildings, excluding site improvements, were supplied to us by the architects for the project. To these figures were added allowances for costs involved in the completion of the proposed buildings, such as interest on land and on capital invested in the building during construction, real estate taxes on land (based on the present assessed valuation of the land), and finance, legal and organizational expenses involved in a project of this size. This latter item includes inspection and examination fees, and title and recording charges.

Rental Values:

In connection with the estimation of the rental value of the proposed apartments, intensive study was made of the prevailing rentals in other large apartment developments both within the Borough of Manhattan and in the New York metropolitan area generally. Particular attention was given to rentals in new buildings which are not subject to rent controls. Within Manhattan, almost all new apartment construction, other than subsidized and tax exempt housing, is in the luxury class, with very few rentals at less than $50 per room per month, and a large number of rentals ranging up to $100 per room per month. However, in suburban New York, there are a large number of apartments renting for $30 per room per month or less. These apartments between $30 and $50 establish the present rental market, they could undoubtedly be rented at higher rates. However, since one of the objectives of the Committee was to secure a possible rental consistent with sound financial planning, and since the approach to value through the capitalization of a rental stream was presumed the cost of that income on a reasonably steady plane, we have used this minimum rental of $33.00 per room per month as a basis for our calculations as the capitalized value of this proposed development.

It was also necessary to determine the rental value of apartments in other space in the metropolis, including stores, commercial space, a theatre and parking facilities. The rental values of these commercial space were established after a consideration of pertinent factors such as the nature of the space, the market for such space created by the projected housing, and rental value of similar space in the vicinity.

Operating Expenses:

We estimate that the proposed improvement for
this site could be operated at a cost of approximately $90 per room per annum by a private investor. This figure is based on current rates for labor, materials and utilities and includes the following items: Payroll, Payroll Taxes, Fuel, Water, Insurance, Repairs, Gas and Electricity including tenants' consumption, Painting and Decorating, Reserve for Replacements, Supplies, Management and Brokerage, and Miscellaneous Expenses. Payroll estimates are predicated on the use of automatic rather than manually controlled elevators.

The figure of $90 per room does not include real estate taxes or amortization of the investment, which have received consideration in the projection of the net return applicable to the proposed development.

This estimate was made after extensive study as to the cost of operating somewhat comparable buildings in the recent past, including a number of large projects within the City operated by such investors as insurance companies.

Anticipated Yield:

Based on the foregoing estimates of rental value and operating costs and computing real estate taxes on the basis of a reasonable approximation of the assessable value of the proposed project, the estimated net return on a free and clear basis shows a yield of approximately 7% on the total investment involved. We believe that this represents an adequate return on an investment of this character. Since it will probably be possible for a potential investor to secure a substantial mortgage at considerably lower interest than 7%, the percentage of return on the equity would be proportionately higher than 7%.

Projected Use:

It is our considered opinion that the most desirable use to which this land could be put, after demolition of the existing slum, would be as a site for apartment buildings offering housing at moderate rentals, in conjunction with shops along the easterly boundary of the site, and commercial space in a small area at the northwest corner of the site. A detailed study of the economic feasibility of such development reveals that such use is financially sound.

Of the present site tenants, only a small percentage could afford the type of housing planned for this site. A large majority of the present occupants are in income brackets which would make them eligible for subsidized public housing.

However, there is great demand for housing at a moderate rental level, for people whose incomes are in excess of the maximum established by the City Housing Authority, but are not large enough to secure housing at the high levels now prevailing in privately constructed new dwellings.

There is ample demand for housing at moderate rentals, if it can be produced by private capital, with the aid of such land subsidies as are contemplated in this program.

Comparative Approach to Value:

Another type of appraisal procedure usually applied in determining the valuation of land is the comparative method, through which analogies are drawn between the assets and benefits inherent in the site being appraised and those found in similar sites suitable for the same purpose and offered concurrently for sale or lease.

This method of appraisal could not be applied in this manner in the instant case due to the fact that no similar assemblage of land presently improved with sub-standard housing, is to be found on Manhattan Island, which is susceptible to private negotiation as distinguished from acquisition through the use of the right of eminent domain.

It was possible, however, to ascertain the acquisition cost of other housing projects, both private and public, and to compare the assets and benefits of those sites to their relative location, transportation facilities, neighborhood conditions, and desirability with those of the subject site.

In order to establish a value on this site for resale purposes, at a level consistent with its market value for the use envisioned by the Committee on Slum Clearance, the comparative method was applied to this extent. In the application thereof, the records and statistics of many private and public projects were studied and analyzed to determine (a) acquisition cost, (b) construction cost, (c) operating expenses incurred, (d) rentals obtained, and (e) the resultant monetary yield.

All of the foregoing study is reflected in the resale value which we have placed upon this site.

CHARLES F. NOYES CO., INC.
George A. Hommer,
Vice President