

596  
ACRES



October 26, 2015

Dear Ms. Bershadskaya:

We are writing on behalf of to ask your **urgent** assistance in preserving opportunities for affordable housing and community planning in your district. The Department of Citywide Administrative Services (DCAS) is planning an auction of seven parcels this Wednesday, **October 28, 2015, at 10am.**

The auction was not well advertised to local elected officials, community boards, community organizations, or city agencies, and so we are taking this opportunity to bring the auction to your attention. We ask that your office take proactive steps to halt the sale of valuable city assets to the highest bidder, and **insist that these assets be used for the public benefit, rather than sold to private investors.**

The auction booklet published by DCAS is here:

[www.nyc.gov/html/dcas/downloads/pdf/auctions/sales\\_auction\\_brochure\\_2015.pdf](http://www.nyc.gov/html/dcas/downloads/pdf/auctions/sales_auction_brochure_2015.pdf) (for your reference).

Note that there are no restrictions on what kinds of uses prospective purchasers can put these public assets to and no restrictions on the types of purchasers able to participate in the auction; there is also no requirement that buyer put property to productive use or obtain a Certificate of Occupancy within any fixed timeline. In addition, at least one property (131 Walnut Ave) is leased to a community based economic development organization (SoBro), a 19-year contract which would almost certainly be put at risk by the sale of the building.

We are concerned that the City, by auctioning off its property as “surplus”, is missing the opportunity to use this property to create and preserve affordable housing, and to stabilize neighborhoods. In the property it owns, the City has both resources and leverage: **City-owned vacant land and buildings can be turned into housing that is permanently affordable to low- and extremely-low income residents; community space or gardens; or commercial space that could help to subsidize housing to which it is linked through a mutual housing association or community land trust.** Simply disposing of the property at auction takes this leverage away.

The properties up for auction include:

- Two lots in Southeast Brooklyn (Brooklyn Block 7932, 998 and 999) of 14,135 and 3,247 buildable square feet and currently zoned for M1-1 and R4, respectively. A for-profit buyer purchasing at auction would be able to introduce a hotel use to the neighborhood on the M1-1 property.

- A vacant former Department of Health building (Queens Block 10055, Lot 28) of 2,000 buildable square feet currently zoned for residential use (R4-1). A for-profit buyer purchasing at auction would likely convert it into for-profit, private housing, foreclosing any opportunity for community use or the renewal of health services in a neighborhood that lacks both.
- A 2-story building on Bathgate Avenue and East 187th Street zoned for residential use (Bronx block 3055, lot 8). The building has up to 5,400 buildable square feet as it is currently zoned R6. A for-profit buyer purchasing at auction would very likely turn this into private for-profit housing.
- A 6 story industrial building in the South Bronx (Bronx block 2586, 26). The building has been leased to SoBRO. The three businesses housed in this property have been a crucial provider of jobs to 80 community residents, and revenues from the building have been used to support SoBRO's local economic development projects. If this building is sold to a private for-profit developer, SoBRO believes that these valuable community benefits will be put at risk. While the organization has first right of purchase on the property, the 11 million dollar minimum upset price on the building effectively excludes them from bidding in the auction.

We urge you and your office to consider **taking immediate steps to call off the auction**, in order to hold these properties for the public benefit. These resources are essential to the stabilization of neighborhoods, and disposing of them to private real-estate entrepreneurs is missing an opportunity to stabilize and enhance the communities in which they are located.

**Moreover, due to a lack of outreach or notice to public officials, community residents, and city agencies regarding this auction, we fear that these properties will be sold off without an ample opportunity for community leaders and residents to provide public input on the sale of properties in their communities.**

We believe that this out of line with the progressive and inclusive principles of the current administration, and feel that this is an opportunity for the Mayor to take a clear public stance on the lack of transparency with residents and public officials in the roll-out of this auction.

Please feel free to reach out to us with additional questions or comments.

Thank you very much.

Sincerely,

Jenny Akchin  
For Picture the Homeless

Paula Z. Segal, Esq.  
For 596 Acres, Inc.

Phillip Morrow  
For South Bronx Overall Economic Development Corporation