

**COMMON GROUND COMMUNITY HDFC, INC.
THE TIMES SQUARE
255 WEST 43RD STREET
NEW YORK, NY 10036**

**APPLICATION TO THE RUDY BRUNER AWARD
FOR
EXCELLENCE IN THE URBAN ENVIRONMENT**

DECEMBER 13, 1996

**COMMON GROUND COMMUNITY HDFC, INC.
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**PART I
A. PROJECT PROFILE
B. ABSTRACT**

PROJECT PROFILE

Project Name The Times Square Location New York, NY

Owner Common Ground Community HDFC, Inc./T.S. Hotel Limited Partnership

Project Use(s) Supportive housing for formerly homeless and low income adults/ground floor commercial

Project Size 652 Total Development Cost \$29 Million

Annual Operating Budget (if appropriate) \$3.4 Million

Date Initiated May 1990 Percent Completed, December 1, 1996 100%

Projected Completion Date (if appropriate) May 1994

(Attach, if you wish, a list of relevant project dates)

Application submitted by:

Name Rosanne Haggerty Title Executive Director

Organization Common Ground Community HDFC, Inc.

Address 255 West 43 Street, New York, NY 10036

Telephone (212) 768-8989 FAX (212) 768-8492

E-mail #

Key Participants (Attach an additional sheet if needed)

Table with 3 columns: Organization, Key Person, Telephone. Rows include NYC Department of Housing Preservation and Development, Common Ground Community HDFC, Inc., Becker and Becker Associates, Donovan Leisure Newton Irvine, Historic Preservation Consultant - Higgins & Quasebarth, and Common Ground Community HDFC, Inc. as Sponsor.

Please indicate how you learned of the Rudy Bruner Award in Urban Excellence. (Check all that apply)

[] mailing [] media [] previous RBA entrant [X] other

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Signature [Handwritten Signature] (Rosanne Haggerty)

ABSTRACT

Project Name: The Times Square

Location: 255 West 43rd Street
New York, NY 10036

1. Describe briefly the project's design and implementation.

Between 1991 and 1994, Common Ground Community HDFC, Inc. transformed The Times Square from one of the most dilapidated and infamous commercial SRO's in New York City into a model of successful large-scale supportive housing. The project entailed a complete renovation of the building's interior and the creation of 652 new efficiency apartments, each with a private bath. More than 80% of the units were also equipped with kitchenette facilities. The design for the building included the creation of community space on each floor, the construction of an institutional kitchen and dining area on the 15th Floor, and an extensive renovation of the Renaissance Revival-inspired lobby and mezzanine. As part of the rehabilitation, Common Ground voluntarily sought National Register listing for the property and undertook a full historic restoration of the building, which was the first of the large midtown residential hotels built in conjunction with the early twentieth century emergence of the Times Square theater district.

The project provides permanent housing for low-income and previously homeless single adults, AIDS patients, the mentally ill and the elderly, including approximately 200 tenants who lived in the building prior to Common Ground's arrival. Our programs take a holistic approach to overcoming homelessness and joblessness, integrating high-quality housing with a range of services designed to foster self-sufficiency and independence among tenants. Working in partnership with the Center for Urban Community Services (CUCS), which maintains an extensive on-site staff at The Times Square, Common Ground has created an environment where tenants have access to extensive social and psychiatric services, a medical clinic, community facilities, job training programs and ongoing employment assistance. On-site businesses, including a restaurant and catering facility, a Ben & Jerry's franchise, and a Starbucks Coffee store, provide training and employment opportunities to tenants of The Times Square as well as to supportive housing tenants across New York City.

2. What local urban issues did this project address? What were its goals? Were there issues that, in your judgment, might have been addressed but were not?

Common Ground approached the rehabilitation of The Times Square at a grassroots level, actively seeking involvement from community constituencies including existing hotel tenants, Community Board members and local business leaders. Prior to its renovation, The Times Square Hotel was seen as a major liability to a neighborhood endeavoring to rejuvenate itself both socially and commercially. Common Ground's restoration of the building to its former grandeur, its provision of services to some 200 existing tenants, and its creation of high-quality apartments for a remarkably diverse group of low and moderate income individuals, transformed the building from an eyesore into a crucial component of the redevelopment initiative underway in Times Square.

Because of the scale and location of the project, Common Ground has found itself addressing issues which have not only local but city-wide and even national implications. As the largest supportive SRO in the nation, The Times Square provides a model for other organizations around the country seeking creative approaches to addressing homelessness and joblessness. In spite of its successes, however, The Times Square is still a work in progress. Common Ground continues to revisit its goals and objectives for the project, engaging in an ongoing analysis of which programs and facilities best serve the needs of its tenants and the community. Common Ground's economic development and job training programs, for example, have taken on a far greater role than initially anticipated. As the project matures, Common Ground will continue to consider new opportunities which will enhance the effectiveness of our programs and the overall dynamism of life at The Times Square.

3. Describe the financing of the project. Do you think it could be replicated?

Common Ground received a 30 year, \$28.8 million low-interest loan from the New York City Department of Housing Preservation and Development's SRO Loan Program to cover the \$9.5 million acquisition costs and a large portion of the project's \$26.5 million renovation expenses. The syndication of Low Income Housing Tax Credits and Historic Rehabilitation Tax Credits generated an additional \$22.35 million to cover remaining renovation costs -- particularly historic rehabilitation work -- and capitalized operating and social service reserves.

The construction of the 15th floor kitchen and dining space was financed by a \$2.5 million bridge loan from the Metropolitan Life Foundation, a funding source which also helped Common Ground purchase furniture for each dwelling unit in the building. The bridge loan was secured and is being repaid with equity from tax credit investments. Additionally, a wide variety of public, corporate and philanthropic grants have supported the development and expansion of Common Ground's economic development and job training programs.

While a precise replication of The Times Square's complex financing could be achieved, shrinking public funds for affordable housing require that adaptations be made to the model. Common Ground is currently redeveloping another building, The Prince George Hotel, using the same creative mix of public and philanthropic support combined with the syndication of Low Income Housing and Historic Preservation Tax Credits. The Prince George, located on East 28th Street between Fifth and Madison Avenues, will provide 416 efficiency apartments along with social and employment services to a population similar to that of The Times Square.

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PART II

A. PARTICIPANT PERSPECTIVE SHEETS:

- 1. Common Ground Community HDFC, Inc.** (Developer)
- 2. Lola Finkelstein**, Chair, Community Board 5 (Community Representative)
- 3. Elise Quasebarth**, Partner, Higgins & Quasebarth (Professional Consultant)
- 4. Timothy O'Hanlon**, Senior Project Manager, NYC Department of Housing Preservation and Development (Public Agency)
- 5. Rebecca Robertson**, President, 42nd Street Development Project (Other)
- 6. Gretchen Dykstra**, Director, Times Square Business Improvement District (Other)
 - 7. Ed Simmons**, Times Square tenant (Other)
- 8. Jerry Flannelly**, Chairman, First Financial Management Corp. (Other)
- 9. Dennis White**, Vice-President, MetLife/MetLife Foundation (Other)

DEVELOPER PERSPECTIVE

Name: Rosanne Haggerty

Title: Executive Director

Organization: Common Ground Community HDFC, Inc.

Telephone: (212) 768-8989

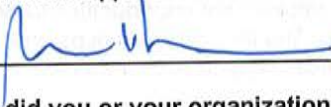
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E-mail:

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1. What role did you or your organization play in the development of this project? Describe the scope of involvement.

Common Ground was founded in 1990 expressly for the purpose of preserving The Times Square Hotel, which had been in bankruptcy since 1988. Prior to acquiring the property in March 1991, Common Ground and its social service partner, CUCS, engaged in an extensive series of meetings with political officials, neighbors, existing tenants, and business representatives in an effort to build support for what was at the time a thoroughly original approach to providing low-income housing, social services, and economic development programs. After spending more than half a year presenting our ideas to the community -- efforts which earned the project widespread public support -- Common Ground and CUCS won the endorsement of the Mayor's office, clearing the way for the approval of pre-development and acquisition financing from the city.

During the redevelopment process, Common Ground:

- Secured and managed all project financing.
- Provided oversight for all architectural, engineering, contracting, and historic preservation work, resulting in the complete renovation of The Times Square and the construction of a new 15th floor restaurant.
- Managed the Historic Rehabilitation approval process.
- Relocated existing tenants to new apartments within the building in order to perform renovations.
- Completed a full rent-up of the building.
- Created a tenant employment program which developed and manages an on-site Ben & Jerry's ice cream franchise, a restaurant and catering business, and a job training and outplacement initiative.

2. What, if any, modifications were made to the original proposal as the project was developed? What tradeoffs or compromises were required during the development of the project?

Common Ground's initial rehabilitation plan for The Times Square involved relocating approximately 200 existing tenants from the east side of the building to the west side during construction. Conditions in many of the existing units were so bad, however, that Common Ground decided to add a cosmetic rehabilitation stage to its original plan, upgrading west side rooms to make them comfortable while tenants waited to move to the rehabilitated east side of the building. This stage added about three months to the construction phase of the project.

The decision to use Historic Rehabilitation Tax Credits after construction had commenced also added a number of requirements to the original plan. In order to obtain the tax credits, Common Ground had to add a number of architectural elements to the scope of work, including:

- Adding moldings to the doors of all residential floors.
- Retaining and repairing the building's original steel windows on the ground floor and the mezzanine.
- Replacing the windows on all other floors to enhance energy conservation and usability.

While this work extended the length of the construction phase somewhat and added slightly to overall project costs, the aesthetic benefits for residents and for the community, along with the financial benefits for the project as a whole, made the decision extremely worthwhile.

3. What, if any, innovative means of financing the project were used?

The Times Square was financed through an unusual combination of sources, including a low-interest loan from the HPD SRO Loan Program, equity from Low Income Housing and Historic Rehabilitation Tax Credits, a bridge loan from MetLife, and ongoing philanthropic, public and corporate grant support. Additionally, Common Ground managed to secure more than 200 Section 8 certificates and vouchers for eligible tenants, ensuring that rents would be affordable to the lowest income tenants, while generating adequate income to cover building operations. Perhaps the most innovative aspect of the financing for The Times Square, however, was the creation of capitalized operating and social service reserves during the first five years of tax credit syndication. These reserves are designed to sustain the building and its service components in the event that operating funding is diminished by reductions in program support. Common Ground is also addressing pending changes in tenant benefits through its job training and placement program, providing tenants at risk of losing public assistance with the skills, opportunities and support necessary to obtain employment.

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COMMUNITY REPRESENTATIVE PERSPECTIVE

This sheet is to be filled out by someone who was involved, or represents an organization that was involved, in helping the project respond to neighborhood issues.

If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Lola Finkelstein Title Chair
Organization Community Board #5, Manhattan Telephone 212 465-0907
Address 450 7th Ave., Ste. 2109, New York, New York 10123
FAX 212 465-1628 E-mail # 104341.2511@compuserve.com

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Signature Lola Finkelstein

1. How did you, or the organization you represent, become involved in this project? What role did you play? For example, was there a public review process in which you took part?

2. From the community's point of view, what were the major issues concerning this project?

3. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what, if anything, would you do differently?

1. How did you, or the organization you represent, become involved in this project? What role did you play? For example, was there a public review process in which you took part?

I was first introduced to the project as Co-chair of the Housing and Human Services Committee of Community Board #5, the deliberative body mandated by the City Charter to provide community comment on all public policy issues. The Community Board acted as liaison between the project and the neighborhood interests, working to reduce concerns and ultimately recommending that the City and State grant all necessary approvals for the project.

I was then asked to join, and presently serve on, the Citizen's Advisory Committee that was established subsequently to ensure continuing community involvement in the project.

2. From the community's point of view, what were the major issues concerning this project?

From the community's perspective, the project was intended to improve the physical, social and economic fabric of two unique neighborhoods, the Theater District and the adjacent Clinton Special Preservation District. The project called for the full restoration and rehabilitation of the Times Square Hotel, listed on the National Register of Historic Places. Further, it proposed to create an innovative experiment in supported housing with targeted social service and job training programming for homeless, HIV-positive and those, such as theater professionals, who tend to be gainfully employed but are low wage earners. The project was intended, therefore, to reclaim an important landmark building, to restore it to productive use, to encourage a heterogeneous community and to enhance the environment for businesses, visitors and residents alike.

3. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them? With hindsight, what, if anything, would you do differently?

The project site was the subject of a competing mixed use development proposal that would have converted the Times Square Hotel into market-rate housing and a tourist hotel catering particularly to the Theater District's foreign visitors. Such redevelopment would have been consistent with the underlying theater-based economy and character of Times Square and would have provided a much needed, moderately priced hotel in the area. I, along with a majority of the Community Board members, felt, however, that these benefits, while substantial, should be rejected in favor of the more challenging goals of the project.

4. How has the project made the community a better place to live? Why should it win this Award? Please be as specific as possible.

The project has substantially improved the quality of life in the neighborhood. The building is restored and well lighted and the area immediately surrounding the project is safer and far more attractive. Commercial activity has increased on-site, as an outgrowth of the project's management philosophy, and in nearby properties through increased investor confidence. Homelessness has been effectively reduced and stable housing provided for low and moderate income residents.

5. If a community group came to you for advice in carrying out a similar project, what would you tell them?

The project demonstrates that urban redevelopment can be community based and community supported. Seemingly intractable urban problems such as homelessness and scarcity of affordable housing, can, even in the most active real estate markets, be successfully planned, concluded and operated. The success of the project has been so noteworthy that a second facility is currently in progress elsewhere in Midtown Manhattan.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

I would deem the project a continuing success if, in five years, the landmark building continued to be well maintained, the project's social service and job development programs continued to respond effectively to the client population, the project continued to exercise a beneficial influence on the quality of life in the surrounding streets and, if Times Square/Clinton remained a viable home to low and moderate income workers, particularly those involved in theater support professions.

1. What role did you or your organization play in the development of this project?

Higgins & Quasebarth is a consulting firm specializing in the preservation and rehabilitation of historic properties. Our role in the development of the Times Square Hotel was as advisors in the government review process, which secured the historic preservation tax credit for the project. The tax credit is a 20% dollar-for-dollar reduction in federal income tax based on the cost of rehabilitation, which in this case was passed on to investors. Our involvement helped the Times Square Hotel benefit both financially and programmatically.

On joining the project, we found a handsome 1923 hotel building, which was not protected by local landmarks designation or national register status. But to our pleasure, we found it being treated the way we often wish for buildings so designated. While the project was under construction, we were able to get the building listed in the National Register and negotiate an approval for the proposed and completed work to ensure that the tax credit would be available. To do this we researched the architectural and historic significance of the building, and documented all the existing conditions, including looking at every single window. We prepared the application forms and saw the project through the review process.

2. From your perspective, how was the project intended to benefit the urban environment?

The driving force of the rehabilitation of the Times Square Hotel was to provide affordable housing; however, from the beginning, the sponsors maintained a sensitive eye toward the historic and architectural character of the building in making design and construction decisions.

Refurbishing the historic character of the building was undertaken to enhance the quality of life for the residents and the neighborhood. To that end, the heavily-altered ground floor storefronts were redesigned to more accurately reflect historic conditions. A sensitively designed addition to the penthouse on the 15th floor provided community gathering spaces and a dining room for the residents. The hotel lobby was treated with meticulous care. All of this work was planned because the sponsors wanted to do it, not because they were required to.

The rehabilitation of the Times Square Hotel merits attention because it provides much needed affordable housing; secures the life of a very good building whose future was uncertain in the face of Times Square redevelopment; and recognizes that historic preservation is not just a hurdle to be gotten over but a benefit that enhances the quality of urban life.

3. Describe the project's impact on its surroundings and on the people in the area. Do you have data that document those effects? Attach supplementary material as appropriate.

From our point of view, the rehabilitation of the Times Square Hotel has a positive impact on the neighborhood in three important ways: The physical appearance of the building was enhanced, making it a positive focal point rather than a seedy detraction. The newly designed storefronts attracted new commercial tenants whose lively presence provides a more pleasant environment than what is found on other nearby streets. The quality of housing provided by the Times Square Hotel is evident by looking through the original bronze doors into the lobby--it is an uplifting experience, not a depressing one.

The ceramic tile project for the new dining room lobby exemplifies the positive energy created by the Times Square Hotel. The band of ceramic tiles, which ornaments the space, was created by the tenants with the assistance of a volunteer artist/architect. The whimsical nature of the art and the high quality of the execution speaks volumes about how the residents feel about where they live.

4. What trade-offs and compromises were required during the development of the project? How did your organization participate in making them?

With construction on-going, the project team worked hard to address tax credit certification issues while maintaining the high quality of the work already undertaken. For example, while new aluminum windows had been contracted for the entire building and half of them had been installed, the original steel windows were considered significant features. We worked with the State Historic Preservation Office and the National Park Service to document the poor condition of the remaining steel windows and to mitigate the replacement by proposing restoration of the mezzanine windows (which were beautifully done) and the replication of all special windows on the top floors including ones which had been removed. Also, the original doors to the hotel rooms had panel moldings, ventilator grilles and brass door knobs with the initials of the original owner. Minor alterations were required to the doors and to the floor plans, which we helped plan to ensure final approval of the work.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

The overall project is so successful that our concerns seem almost insignificant. There are areas in the building where details could have been executed a little better, but they do not have a significant impact on the overall appearance. As with many projects, if we had been involved in the planning stages, some work would not have had to be changed in mid-construction.

6. How might this project be instructive to others in your profession?

This project is an excellent example of how the goals of affordable housing and historic preservation can support each other in a single project. Frequently, they are seen as antithetical to each other, here they are shown to be sympathetic. More specifically, the rehabilitation of the Times Square Hotel shows how you can work with an existing building to create affordable housing, rather than against it with the total gut-rehab approach.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

Although our area of expertise does not allow us to judge the quality of these aspects, it seems that the most important things to look for would be full occupancy with active social services and happy residents and neighbors.

The signs we would want to read in the physical building would be ones that would show that the Times Square Hotel is cared for and well-maintained. The windows would be clean, all lighting fixtures would be operable and in good condition. There would be no graffiti on the masonry. Brass would be polished and planter boxes would be filled with healthy growing plants. Commercial tenants would be in service to a positive community, rather than a seedy, transient one.

PUBLIC AGENCY PERSPECTIVE

This sheet is to be filled out by staff representative(s) of public agency(ies) who were directly involved in the financing, design review, or public approvals that affected this project.

If possible, answers should be typed directly on this form or a photocopy. If the form is not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds. Please limit answers to the area provided.

Name Timothy O'Hanlon Title Director
Organization SRO Loan Program, Dept. of HPD Telephone (212) 386-6473
Address 100 gold street, New York, NY 10038
FAX (212) 386-6488 E-mail # N/A

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1. What role did your organization play in the development of this project?

SEE ATTACHED

2. Describe what requirements were made of this project by your agency (e.g., zoning, public participation, public benefits, impact statements).

3. From your perspective, how was this project intended to benefit the urban environment? Describe how, if at all, these intentions changed over the course of the project. What trade-offs and compromises were required? How did you participate in making them? With hindsight, what would you now do differently?

1. What role did your organization play in the development of this project?

The SRO Loan Program of New York City's Department of Housing Preservation and Development (HPD) provided \$28,850,000 to Common Ground to acquire and rehabilitate the Times Square Hotel. HPD also provided technical assistance in all phases of development and helped coordinate the efforts of other City agencies which were to provide the project with ongoing operating contracts.

2. Describe what requirements were made of this project by your agency (e.g., zoning, public participation, public benefits, impact statements).

HPD required that 50% of the Times Square's residents be homeless individuals referred from the City's shelter system. These residents would include individuals disabled by AIDS (50 residents) and mental illness (130 residents). Extensive social services would be provided on-site to ensure a stable and safe tenancy for these residents. HPD also required the informed participation of local civic and elected officials and the Times Square community. Common Ground obtained the support of the local Community Board and, perhaps even more remarkably, area merchants and landlords, who bought into Common Ground's vision to turn the dilapidated hotel into a community asset.

3. From your perspective, how was this project intended to benefit the urban environment? Describe how, if at all, these intentions changed over the course of the project. What trade-offs and compromises were required? How did you participate in making them? With hindsight, what would you now do differently?

HPD began to fund the rehabilitation of the Times Square Hotel in 1991. The building was then occupied by about 215 tenants. At that time, the SRO Loan Program, and indeed the entire concept of supported SROs, had a limited track record. No project of this size had been attempted in New York or anywhere else in the country. The Hotel itself had a long history of malfeasance, including an incarnation as a dangerous welfare hotel. Many people feared that the arrival of over 400 new tenants, including homeless and "special needs" individuals, would bring uncontrollable crime and blight to the area. The future of the Times Square area was uncertain.

The success of the Times Square Hotel has demonstrated that a mix of special needs and low and moderate income housing can work. The model pioneered by the Times Square has been copied in New York and cities throughout the country. The Times Square's cost effectiveness - under \$45,000 per studio unit - also brought legitimacy to the concept of supported SROs. The renovation of the landmarked building (through the use of Historic Tax Credits) and Common Ground's recruitment of nationally-known retailers helped improve the block and the entire Times Square area.

Although funding from the SRO Loan Program imposes a requirement that 60% of the building's residents be homeless, HPD allowed Common Ground to use a 50% homeless / 50% low income tenancy model because of the project's scale. This

compromise was made after discussions between the City, Common Ground and the community.

Because of its innovative nature, the development of the Times Square Hotel taught its development team many lessons. However, in retrospect there is no significant way in which HPD would have proceeded differently.

4. Describe any data you have that document the impact that this project has had on its surroundings and the people in the project area. Attach supplementary materials as appropriate. What have you observed of the project's impact?

As noted above, the rehabilitation of the Times Square Hotel has brought legitimacy to supported SROs nationwide. The success of many of the project's most innovative features - attracting retailers who then employ building residents; mixing low income and "special needs" residents in one building; restoring architecturally important structures after decades of neglect - has been proven by numerous awards, favorable media coverage of the project, including several articles in The New York Times, and most importantly, the attempts by not-for-profits nationwide to replicate Common Ground's efforts. In the past few years, hundreds of millions of dollars have been invested by the private sector in the Times Square area. The success of the Times Square Hotel both reflects and inspired the area's renewal.

5. What about this project would be instructive to agencies like yours in other cities?

Public agencies must appreciate the unique ability of a committed not-for-profit to create a sense of community, even in a large-scale project like the Times Square Hotel. This feeling of fellowship and commitment is necessary to transform a project into someone's home. In addition, careful attention must be paid to develop a partnership of the funding agency, developer, community, social service provider and property manager.

6. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

The Times Square has been monitored since its opening to ensure that the physical plant is well-maintained, the financial and accounting records are in order, the 50% homeless and disabled tenancy levels are adhered to and that a stable and humane residence is enjoyed by all tenants. Using these criteria, which will be used throughout the 30 year financing compliance period, the Times Square has proven to be an overwhelming success.

OTHER PERSPECTIVE

Name	Rebecca Robertson	Title	President
Organization	42nd St. Development Project	Telephone ()	212 803-3810
Address	633 3rd Avenue, 36th Flr., New York NY 10017		
FAX ()	212 803-3838	E-mail #	

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1. What role did you play in the development of this project?

Please see attached

2. From your perspective, how was this project intended to benefit the urban environment?

Please see attached

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

Please see attached

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

Please see attached

FROM: REBECCA ROBERTSON, PRESIDENT
42nd Street Development Project
633 3rd Avenue, 36th Flr.
New York, NY 10017
212 803-3810/FAX 212 803-3838

Question #1 - What role did you play in the development of this project?

I head up the redevelopment of 42nd Street between Broadway and Eighth Avenue: the Times Square Hotel is across the street from our project. As the 42nd Street Development Project's goal is to make this block once again a major tourist and entertainment destination, I played the role of a nervous neighbor. How would permanent housing for the homeless on that scale affect the market viability of our project?

Question #2 - From your perspective, how was this project intended to benefit the urban environment?

I think the Project was intended to have at least two main benefits 1) to provide safe, decent housing for long-time Times Square residents who already inhabited the hotel; and 2) to provide a huge number of decent housing units in a fully-serviced environment for people with various problems. Times Square, even in its revitalized form, is the right location for this facility.

Question #3 - Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

Because of the entrepreneurial nature of Common Ground, and its sophisticated vis-a-vis market reactions to housing for the homeless, Common Ground has created a small miracle on 43rd Street - a wonderfully caring facility in a restored building with lively retail at grade that fits in seamlessly with the revitalization of Times Square. We also had occasion to ask for Common Ground's assistance in finding some of our tenants' housing, and they were spectacular - responsive, understanding and smart.

Question #4 - What trade-offs and compromises were required during the development of the project? Did you participate in making them?

I was not involved in the day to day management of the Project, and therefore I am not the best qualified to answer this question.

Question #5 - What was the least successful aspect of the project? With hindsight, what would you now do differently?

In all honesty, as a neighbor to the Project, who started out with some degree of skepticism, I cannot imagine how this incredible project could have been done better. By involving the business and the residential community early and often, by responding to our concerns, by understanding fears of this kind of facility, and by addressing those head-on, Common Ground changed the usual dynamic.

Question #6 - What can others learn from this project?

- 1) that major social service facilities and major economic development initiatives (ours is a \$1.8 billion project) do not have to be incompatible; the Times Square hotel is a complement to our redevelopment;
- 2) that responsiveness to the community insures that thorny and often misunderstood issues can be resolved;
- 3) that housing for the homeless can be attractive and add to the aesthetics of the neighborhood; and
- 4) that strong and imaginative management is vital.

Question #7 - If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

Continuing partnership between the Times Square Hotel and the local businesses; continued high level of service provision; the model replicated in other parts of the City and the country.

OTHER PERSPECTIVE

Name Gretchen Dykstra

Title President

Organization Times Square Business Improvement District


Telephone (212) 768-1560

Address 1560 Broadway, Suite 800 New York, NY 10036

FAX (212) 768-0233

E-mail #

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1. What role did you play in the development of this project?

2. From your perspective, how was this project intended to benefit the urban environment?

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

1. What role did you play in the development of this project?

The Times Square Business Improvement District (the BID) did not play a direct role in the development of the Times Square Residence, aside from participating on their neighborhood advisory committee, acting as a sounding board for ideas. However, as an organization dedicated to the improvement of the Times Square neighborhood, we are always supportive of projects that will improve the area and its surround's quality of life. We consider the Common Ground/Times Square Residence to be an extremely important leader in the movement to strengthen the neighborhood through housing renovation, facade improvement, business development, retail upgrades, and the provision of a variety of community services. That is why we invited Roseanne Haggerty, Executive Director of Common Ground and current Chairperson of the BID's Program Committee, to sit on our Board of Directors. We are grateful supporters and admirers of her project.

2. From your perspective, how was this project intended to benefit the urban environment?

The history of the Times Square Hotel is a sad one. Although the building has been home to thousands of tenants over the years, poor management and neglect had left the building in a shambles. The Common Ground project was designed to improve the physical plant of the building, both inside and out, and to improve living conditions for old tenants as well as provide safe, affordable housing for new tenants, many of them formally homeless.

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

The immediate benefactors are, of course, the tenants themselves, many of whom were formally homeless, some are mentally ill, some are living with HIV/AIDS and others are working poor. For these people finding affordable housing in a safe, clean and friendly environment is wondrous. In fact, six of the BID's sanitation workers, recovering substance abusers who were once homeless, currently live in the Times Square. The surrounding neighbors, including the New York Times, are delighted with the well managed property, particularly after suffering prior years of inept management. As part of the package, CG took

control of three retail spaces that were leased for marginal uses on one of the worst blocks in the area. It was seedy, rundown and threatening. CG convinced Ben and Jerry's and Starbucks Coffee to move in, and hire tenants from the Times Square, fostering some further economic developments that are exciting. The five properties on the same block, also formerly marginal uses, were recently purchased and the retail spaces now house McDonald's, a grocer, two specialty stores and a restaurant. Across the street a new non-profit theater is also in the works.

4. What trade-offs and compromises were required during the development of the project. Did you participate in making them? Aside from our role on the advisory committee and hearing about the difficult transitions some tenants made, moving from apartment to apartment during the renovations, the Times Square BID did not participate in any such concerns.

5. What was the least successful aspect of the Project? With hindsight, what would you now do differently? Although it is clear that any project must have some aspects that could have been better executed, we are unclear what those aspects might be in consideration of the Times Square Residence.

6. What can others learn from this project? This project presents a fine example of a development team's response to the needs of the community and of tenants. The combination of building management and supportive services being provided by two separate agencies operating as a team is exemplary. While the positive impact of the facade improvements and retail upgrades to the community at large cannot be understated. The Common Ground organization and its tenants also act as good neighbors, joining the neighborhood and City administration's fight against the negative impacts that concentrations of adult entertainment establishments generate, and crying out when extreme noise conditions disturb both the business and residential communities. CG maintains its building and sidewalks, pitches in when cutbacks demand that the neighborhood find a solution to fewer sanitation pick-ups, and works with a variety of other local organizations as they attempt to replicate similar housing facilities. CG is an example of what it takes to be a good neighbor.

7. If five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact? The number of original tenants still living on the premises should be high, and the amenities and services provided them should be as rich as they are today. The facade of the building should be well maintained, as well as the sidewalks and retail spaces. Snow removal during winter and swept stairways and sidewalks during the summer months too. The quality of the retail tenants should be high and the two spaces that are currently vacant should be filled with tenants of an equal or higher grade. And we would hope that CG would continue to play an active and integral role in community issues as they arise, from sanitation and security, to zoning considerations.

OTHER PERSPECTIVE

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Signature Edward Simmons

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1. What role did you play in the development of this project?

My role in the development of this project is that of a tenant, who has also been involved with the recent strategic planning process for Common Ground.

2. From your perspective, how was this project intended to benefit the urban environment?

This project is intended to benefit the urban environment by providing safe, clean, affordable housing for homeless, low income working people and those who have had substance abuse problems. The project also trains and helps find employment for formerly homeless people and provides health care services, educational tutoring, and management training.

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

The impact this project has actually had on the surrounding neighborhood and the people in the project area has been the renovation of The Times Square Hotel from a run-down, deteriorated, drug-dealing hotel into clean, safe, permanent affordable housing for formerly homeless people and people on a fixed income or a low working income. I believe that renovating the old buildings is much more cost effective and will impact the homeless problem more effectively.

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

The trade-offs and compromises during the development process were the temporary relocation of tenants and some lost elevator service.

OTHER PERSPECTIVE

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1. What role did you play in the development of this project?

2. From your perspective, how was this project intended to benefit the urban environment?

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

1. What role did you play in the development of this project?

First Financial structured and placed the over \$20 million of equity investment for The Times Square. We were intimately involved in the financial and legal organization of the Times Square and in the use of historic and low income housing tax credits. We continue to be involved as the general partner of the investment partnership formed to make this equity investment.

2. From your perspective, how was this project intended to benefit the urban environment?

First, to provide desperately needed housing and support services to formerly homeless and other at risk populations. Second, to provide job training and empowerment to these individuals so that over time they can become self sufficient. Third, to restore and preserve a fine historic building. Fourth, to contribute to the revitalization of the Times Square neighborhood.

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

The Times Square has attained all of the above objectives. A beautiful restoration was completed and has contributed to the revitalization of the area. The project was quickly and successfully occupied and is providing housing and support to the intended populations. A significant number of these have moved on to jobs in the outside market.

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

As in any historic renovation, trade-offs were required between "historic restoration" and cost and/or future operating efficiency. We were not deeply involved in these decisions.

5. What was the least successful aspect of the project? With hindsight, what would you now do differently?

The renovation was done with approximately 200 elderly existing tenants in place. This caused a lot of problems and inefficiencies for these tenants, the contractor and building management. Since relocation of these tenants out of the building was not possible, however, it is difficult to know how it could have been done differently.

6. What can others learn from this project?

That a project of very large magnitude and extreme complexity can be accomplished given adequate resources and the competence and dedication of an organization such as Common Ground.

That the combination of decent housing, social support services and empowerment training can, in fact, break the cycle of homelessness and dependency for a meaningful portion of the homeless population.

7. If, five years from now, you were to judge that this project was still successful, what characteristics would convince you of that fact?

That it continues to be financially viable while providing the housing and services it does today and that it continues to give the support needed to move members of its population back into the economic mainstream.

OTHER PERSPECTIVE

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1. What role did you play in the development of this project?

The MetLife Foundation provided a \$2.5 million below market rate loan to finance the renovation of kitchen space, purchase furniture for rooms and prepare commercial space. MetLife also provided in-kind support including kitchen and cafeteria equipment and technical assistance on building maintenance.

2. From your perspective, how was this project intended to benefit the urban environment?

It provided much needed housing and social services for the elderly, formerly homeless and people with AIDS.

3. Describe the impact that this project has actually had on its surroundings and on the people in the project area. Include any data or supplementary materials that support your conclusions.

The project has been part of a major redevelopment effort in Times Square, and the project has shown that affordable housing can coexist and not deter commercial development. The project has converted countless people -- business and civic leaders included -- that affordable housing development done right can be an asset to an area.

4. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

We did not participate in them.