

NEW YORK STATE PUBLIC AUTHORITIES CONTROL BOARD

R E S O L U T I O N No. 25-UD-2157

APPROVING A SPECIFIED PROJECT OF THE NEW YORK STATE URBAN  
DEVELOPMENT CORPORATION, D/B/A/ EMPIRE STATE DEVELOPMENT -  
KINGSBORO PSYCHIATRIC CENTER MIXED USE PROJECT  
(a Land Use Improvement and Residential Project)

WHEREAS, the New York State Public Authorities Control Board ("PACB"), created pursuant to Chapter 38, Laws of 1976, as amended, has been empowered by section 51 of the Public Authorities Law to receive applications from designated public benefit corporations, including the New York State Urban Development Corporation d/b/a Empire State Development ("UDC") and its subsidiaries, for approval of the acquisition, construction, or financing of any project by any such public benefit corporation; and

WHEREAS, UDC has made an application to PACB to enable UDC to acquire and reconvey title to real property in order to implement the Kingsboro Psychiatric Center Mixed-Use Project (the "Project"), an affordable housing and mixed use development project located in the East Flatbush section of Brooklyn, New York that UDC, in collaboration with New York State Homes and Community Renewal ("HCR"), is advancing in accordance with a General Project Plan ("GPP") that UDC's Directors have adopted and affirmed in accordance with the New York State Urban Development Corporation Act ("UDC Act"); and

WHEREAS, the Project will be constructed on a 7.2 acre parcel of property (the "Project Site") situated on the westernmost portion of the Kingsboro Psychiatric Center ("KPC") campus, located at 681 Clarkson Avenue, Brooklyn, New York 11203 (Kings County Tax Block 4833, Lot 1); and

WHEREAS, the KPC campus is operated by the New York State Office of Mental Health ("OMH") in accordance with the New York State Mental Hygiene Law and the property on which the campus is located, inclusive of the Project Site, is owned by the People of the State of New York ("State") acting by and through the Dormitory Authority of the State of New York ("DASNY"), as the successor to the Facilities Development Corporation (pursuant to Public Authorities Law § 1699-f); and

WHEREAS, the portion of the KPC campus to the east of the Project Site includes numerous institutional buildings and facilities that are actively used and maintained by OMH to provide psychiatric care to patients, but the Project Site is comprised of unused vacant land and five aging and outmoded buildings, including three substandard and underutilized buildings built in the 1930s that no longer are needed by OMH and two buildings currently used as single-adult men's homeless shelters that are operated by or on behalf of the New York City Department of Homeless Services ("NYCDHS"); and

WHEREAS, to address the substandard and underutilized conditions on the Project Site and redevelop surplus State-owned property for productive uses that will further the housing and economic development interests of the State, the City of New York and the local community, UDC is proposing to acquire the Project Site from DASNY in stages and reconvey title to a private developer that UDC selected through a competitive request for proposals (the "Developer") in property dispositions that will be scheduled to coincide with construction loan closings for each of the three Project phases; and

WHEREAS, when all three phases of the Project are completed, the Project will provide:

- Up to approximately 1,033,039 square feet ("sf") of residential space, including up to 1,081 new units of affordable housing, of which approximately 9 percent would be homeownership units;
- Two new state-of-the-art single-adult men's homeless shelters, which would fully replace the existing 364 beds currently available at the Project Site;
- Approximately 8,092 sf of commercial space, which is anticipated to be utilized as a grocery store;
- Approximately 63,071 sf of community facility space, including an 1199 SEIU (Service Employees International Union) facility, an emergency food provider, a ballet studio,

steel pan drum equipment storage, and resident social service space;

- approximately 46 on-site surface parking spaces;
  - Four new publicly accessible, privately owned driveways; and
  - Approximately 2.16 acres of publicly accessible open space;
- and

WHEREAS, in consideration of the Project's replacement of the two existing shelter facilities on the Project Site, the City of New York will extinguish, through quitclaim deeds to UDC, the City's reversionary interest in the Project Site that is set forth in the City's 1914 deed to the State of the KPC campus property, which if not extinguished would continue to limit the property's use to state hospital purposes and impede redevelopment of the Project Site; and

WHEREAS, pursuant to an amendment to the Facilities Development Corporation Act (Unconsolidated Laws §4405[13][b]), which provides that the purchase price for the Project Site "shall be deemed to be an amount determined to be in the public interest and agreed upon between the Commissioner of the Office of Mental Health and the Commissioner of the Division of Housing and Community Renewal...", the Commissioners of OMH and HCR, in recognition of the State's interest in facilitating affordable housing and other Project goals and objectives, have agreed that

title to the Project Site will be conveyed to the Developer for nominal consideration; and

WHEREAS, UDC will not provide any funding for the Project, which will be financed as necessary through other available public and private sources, including financing and financial assistance from HCR; and

WHEREAS, for each Project phase and sub-phase, the Developer will use its best efforts to diligently apply for financing from both private and public sources in such amounts and types as are necessary to develop and construct each such phase or sub-phase; HCR will assist with facilitating public financing to support the Project, which is anticipated to include financing from HCR; and the only Project elements that are not anticipated to receive funding from HCR are the Developer's construction and operation of the two new single-adult men's homeless shelter that together will replace the two existing shelters on the Project Site, with anticipated funding to be provided by the New York City Department of Housing Preservation and Development in coordination with NYCDHS; and

WHEREAS, on October 19, 2023, UDC's Directors adopted the GPP for the Project as a Land Use Improvement Land Use Improvement and Residential Project under the UDC Act, authorized the holding of a public hearing on the GPP and Draft Environmental Impact Statement ("DEIS") for the Project under the State Environmental

Quality Review Act ("SEQRA"), and authorized such other actions as may be necessary or appropriate to allow the Project to proceed; and

WHEREAS, UDC held a public hearing on the GPP and DEIS for the Project on November 30, 2023 and received oral and written comments during the public hearing and through the public comment period that ended on January 8, 2024; and

WHEREAS, on March 27, 2025, UDC posted the Final Environmental Impact Statement ("FEIS") for the Project on its Project website after UDC's Directors, on the same day, approved resolutions accepting the FEIS as complete with respect to scope, content, and adequacy; that it adequately assesses the potential significant adverse environmental impacts of the Project and otherwise meets the requirements under SEQRA; and that it was in proper form for publication, filing and circulation to the public; and on March 27, 2025 and May 7, 2025, UDC issued and circulated Notices of Completion of the FEIS; and

WHEREAS, on May 22, 2025, UDC's Directors, upon consideration of the FEIS, other materials presented by UDC's staff, and consideration of public comments received, approved SEQRA findings for the Project and affirmed the GPP as modified as a result of UDC's engagement with elected officials, involved agencies, community organizations, and the public during the Project's public review.

NOW THEREFORE BE IT RESOLVED, that the PACB approves UDC's participation in the Project in accordance with section 51 of the Public Authorities Law:

(Continued on next page)

PROJECT IDENTIFICATION

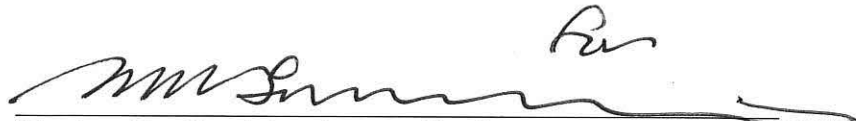
<u>Project Description</u>	<u>Amount to be Financed by UDC</u>
681 Clarkson Avenue Borough of Brooklyn City of New York County of Kings (Block 4833, part of Lot 1)  Kingsboro Psychiatric Center Mixed Use Project	<p>No UDC funds or financing will be provided for the Project.</p> <p>UDC will acquire portions of the Project Site from DASNY over time and reconvey title to each such portion to the Developer in property dispositions that will be scheduled to coincide with construction loan closings for each of the three Project phases. As part of ESD's property acquisitions from DASNY and reconveyances of such property to the Developer, the City of New York will extinguish its reversionary interest to each portion of the Project Site in consideration of the Developer's replacement of the two existing shelter facilities on the Project Site.</p> <p>OMH and HCR have determined that the property required for each phase of the Project will be conveyed to the Developer for nominal consideration as being in the public interest and as authorized by the Facilities Development Corporation Act (Unconsolidated Laws Section 4405[13][b]).</p>

\* \* \* \* \*



\* \* \* \* \*

This resolution shall take effect immediately.

  
Blake G. Washington, Chair  
Public Authorities Control Board

  
Steven Otis, Member of the Board

  
Leroy Comrie, Member of the Board

25-UD-2157

Date: June 25, 2025

CERTIFICATION

STATE OF NEW YORK  
COUNTY OF ALBANY ss.


I, Elyse Young, Secretary of the New York State Public Authorities Control Board, do hereby certify that at a meeting of such Board, held on June 25, 2025, the attached resolution was duly adopted by the unanimous vote of the Members of the Board. The resolution attached is a true copy of the resolution and the certification of the determination made by such resolution and of the signatures thereto of each of the Members of the Board or their duly appointed representatives, the original of which is on file in my office. As of the date of this certification, such resolution has not been modified, superseded, amended or repealed and remains in full force and effect.

In witness thereof I have hereunto set my hand this 25th day of June 2025.

  
\_\_\_\_\_  
Elyse Young  
Secretary

STATE OF NEW YORK  
COUNTY OF ALBANY ss.

On this 25th day of June 2025, before me personally came Elyse Young to me known, who, being by me duly sworn, did depose and say that she is the Secretary of the New York State Public Authorities Control Board, that she executed the foregoing certification and that the contents thereof are true.

  
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Brittany N. Glenn  
Notary Public, State of New York  
No. 01GL6253075  
Qualified in Rensselaer County  
Commission Expires: 12/19/2027