

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
LANDMARK WEST! INC., 91 CENTRAL PARK
WEST CORPORATION and THOMAS HANSEN

Petitioners,

VERIFIED ANSWER

- against -

Index No. 650354/08

CITY OF NEW YORK BOARD OF STANDARDS
AND APPEALS, NEW YORK CITY PLANNING
COMMISSION, HON. ANDREW CUOMO, as
Attorney General of the State of New York, and
CONGREGATION SHEARITH ISRAEL, also
described as the Trustees of Congregation Shearith
Israel,

Respondents.

-----X
Respondents, Board of Standards and Appeals of the City of New York (“BSA”
or “Board”), and the New York City Planning Commission (“CPC”) (collectively “City
Respondents”), by their attorney, Jeffrey Friedlander, First Assistant Corporation Counsel of the
City of New York, as and for their Verified Answer to the Petition, respectfully allege, upon
information and belief, as follows:

1. Deny the allegations set forth in paragraph “1” of the Second Amended
Verified Petition (“Petition”), except admit that Petitioners purport to proceed as set forth
therein.
2. Deny the allegations set forth in paragraph “2” of the Petition, and
respectfully refer the Court to the law cited therein for a true and complete statement of its
content and effect.
3. Deny the allegations set forth in paragraph “3” of the Petition.
4. Deny the allegations set forth in paragraph “4” of the Petition, except
admit that the five market-rate residential condominium units proposed by Congregation

Seharith Israel (“the Congregation” or “the Synagogue”) are not related to its religious mission or programmatic needs.

5. Deny the allegations set forth in paragraph “5” of the Petition.

6. Deny the allegations set forth in paragraph “6” of the Petition.

7. Deny the allegations set forth in paragraph “7” of the Petition.

8. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph “8” of the Petition.

9. Admit the allegations set forth in paragraph “9” of the Petition, insofar as it indicates that 103 Central Park West Corporation is no longer a party.

10. Admit the allegations set forth in paragraph “10” of the Petition, insofar as it indicates that 18 Owner’s Corp. is no longer a party.

11. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph “11” of the Petition.

12. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph “12” of the Petition.

13. Deny the allegations set forth in paragraph “13” of the Petition and respectfully refer this Court to the New York City Charter (“City Charter”), Chapter 27, Sections 659, et seq., for a true and complete statement of BSA’s organization and purpose.

14. Deny the allegations set forth in paragraph “14” of the Petition, except admit that Petitioners purport to proceed as set forth therein, and respectfully refer this Court to City Charter §192, for a true and complete statement of CPC’s purpose.

15. Deny the allegations set forth in paragraph “15” of the Petition, except admit that Petitioners purport to proceed as set forth therein.

16. Deny the allegations set forth in paragraph "17" of the Petition insofar as they are inconsistent with the Record.¹

17. Deny the allegations set forth in paragraph "17" of the Petition insofar as they are inconsistent with the Record.

18. Admit the allegations set forth in paragraph "18" of the Petition, insofar as it indicates that 103 Central Park West Corporation is no longer a party.

19. Admit the allegations set forth in paragraph "19" of the Petition, insofar as it indicates that 18 Owner's Corp. is no longer a party.

20. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph "20" of the Petition.

21. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph "21" of the Petition.

22. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in paragraph "22" of the Petition.

23. Deny the allegations set forth in paragraph "23" of the Petition, except admit that Petitioners purport to proceed as set forth therein.

24. Deny the allegations set forth in paragraph "24" of the Petition insofar as they are inconsistent with the Record.

25. Deny the allegations set forth in paragraph "25" of the Petition.

26. Deny the allegations set forth in the unnumbered paragraph preceding paragraph "26" of the Petition.

¹ Citations to the Record of the proceedings before the BSA, which is provided herewith, are referred to by "R." followed by the applicable page number. Citations to the BSA's August 26, 2008 Resolution are referenced by both a citation to the applicable page number in the Record as well as a citation to the applicable paragraph number(s).

27. Deny the allegations set forth in paragraph “26” of the Petition, and respectfully refer the Court to the cited statute for a true and complete statement of its content and effect.

28. Deny the allegations set forth in paragraph “27” of the Petition.

29. Deny the allegations set forth in paragraph “28” of the Petition.

30. Deny the allegations set forth in paragraph “29” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

31. Deny the allegations set forth in paragraph “30” of the Petition, and respectfully refer the Court to the cited statute for a true and complete statement of its content and effect.

32. Deny the allegations set forth in paragraph “31” insofar as they can be construed as alleging that the BSA acted improperly or contrary to law.

33. Deny the allegations set forth in paragraph “32” of the Petition.

34. Deny the allegations set forth in the unnumbered paragraph preceding paragraph “33” of the Petition.

35. Deny the allegations set forth in paragraph “33” of the Petition, and respectfully refer the Court to the Congregation’s Application [R. 15-183] for a true and complete statement of its content and effect.

36. Deny the allegations set forth in paragraph “34” of the Petition, and respectfully refer the Court to the BSA’s June 15, 2007 Notices of Objection [R. 254-259] for a true and complete statement of its content and effect.

37. Deny the allegations set forth in paragraph “35” of the Petition, and respectfully refer the Court to June 15, 2007 Notices of Objection [R. 254-259] for a true and complete statement of its content and effect.

38. Deny the allegations set forth in paragraph “36” of the Petition, and respectfully refer the Court to the Congregation’s September 10, 2007 response to BSA’s June 15, 2007 Notices of Objection [R. 308-386] for a true and complete statement of its content and effect.

39. Deny the allegations set forth in paragraph “37” of the Petition, and respectfully refer the Court to the Congregation’s September 10, 2007 response to BSA’s June 15, 2007 Notices of Objection [R. 308-386] for a true and complete statement of its content and effect.

40. Deny the allegations set forth in paragraph “38” of the Petition.

41. Deny the allegations set forth in paragraph “39” of the Petition.

42. Deny the allegations set forth in paragraph “40” of the Petition, and respectfully refer the Court to the February 12, 2008 hearing transcript [R. 3722-3728] for a true and complete statement of its content.

43. Deny the allegations set forth in paragraph “41” of the Petition, and respectfully refer the Court to February 12, 2008 hearing transcript [R. 3745-3746] for a true and complete statement of its content.

44. Deny the allegations set forth in paragraph “42” of the Petition.

45. Deny the allegations set forth in paragraph “43” of the Petition.

46. Deny the allegations set forth in the unnumbered paragraph preceding paragraph “44” of the Petition.

47. Deny the allegations set forth in paragraph “44” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

48. Deny the allegations set forth in paragraph “45” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

49. Deny the allegations set forth in paragraph “46” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

50. Deny the allegations set forth in paragraph “47” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

51. Neither admit nor deny the allegations set forth in paragraph “48” of the Petition as it consists of legal argument to which no response is required; however to the extent that this Court requires such a response, City Respondents deny the allegations set forth in said paragraph, except deny the allegations insofar as they can be construed as alleging that the BSA acted improperly or contrary to law.

52. Deny the allegations set forth in paragraph “49” of the Petition, and respectfully refer the Court to the Congregation’s Application [R. 15-183] for a true and complete statement of its content and effect.

53. Deny the allegations set forth in paragraph “50” of the Petition, and respectfully refer the Court to the Congregation’s Application [R. 15-183] for a true and complete statement of its content and effect.

54. Deny the allegations set forth in paragraph “51” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

55. Deny the allegations set forth in paragraph “52” of the Petition.

56. Deny the allegations set forth in paragraph “53” of the Petition.

57. Deny the allegations set forth in the unnumbered paragraph preceding paragraph “54” of the Petition.

58. Deny the allegations set forth in paragraph “54” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

59. Deny the allegations set forth in paragraph “55” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

60. Deny the allegations set forth in paragraph “56” of the Petition.

61. Deny the allegations set forth in paragraph “57” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

62. Deny the allegations set forth in paragraph “58” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.

63. Deny the allegations set forth in paragraph “59” of the Petition.

64. Deny the allegations set forth in paragraph “60” of the Petition.

65. Deny the allegations set forth in the unnumbered paragraph preceding paragraph “61” of the Petition.

66. Deny the allegations set forth in paragraph “61” of the Petition.
67. Deny the allegations set forth in paragraph “62” of the Petition.
68. Deny the allegations set forth in paragraph “63” of the Petition.
69. Deny the allegations set forth in paragraph “64” of the Petition.
70. Deny the allegations set forth in paragraph “65” of the Petition.
71. Deny the allegations set forth in paragraph “66” of the Petition.
72. Deny the allegations set forth in paragraph “67” of the Petition.
73. Deny the allegations set forth in the unnumbered paragraph preceding paragraph “68” of the Petition.
74. Deny the allegations set forth in paragraph “68” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.
75. Deny the allegations set forth in paragraph “69” of the Petition.
76. Deny the allegations set forth in paragraph “70” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.
77. Deny the allegations set forth in paragraph “71” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of its content and effect.
78. Deny the allegations set forth in paragraph “72” of the Petition.
79. Deny the allegations set forth in paragraph “73” of the Petition.
80. Deny the allegations set forth in paragraph “74” of the Petition.

81. Deny the allegations set forth in paragraph “75” of the Petition, and respectfully refer the Court to the cited statute for a true and complete statement of its content and effect.

82. Neither admit nor deny the allegations set forth in paragraph “76” of the Petition as it consists of legal argument to which no response is required; however to the extent that this Court requires such a response, City Respondents deny the allegations set forth in said paragraph.

83. Deny the allegations set forth in paragraph “77” of the Petition.

84. Deny the allegations set forth in paragraph “78” of the Petition.

85. Deny the allegations set forth in the unnumbered paragraph preceding paragraph “79” of the Petition.

86. Deny the allegations set forth in paragraph “79” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] and the case cited therein for a true and complete statement of their content and effect.

87. Deny the allegations set forth in paragraph “80” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] and the cases cited therein for a true and complete statement of their content and effect.

88. Deny the allegations set forth in paragraph “81” of the Petition.

89. Deny the allegations set forth in paragraph “82” of the Petition and respectfully refer this Court to City Charter, Chapter 27, Sections 659, et seq., for a true and complete statement of BSA’s organization and purpose.

90. Deny the allegations set forth in paragraph “83” of the Petition.

91. Deny the allegations set forth in paragraph “84” of the Petition.

92. Deny the allegations set forth in paragraph “85” of the Petition.

93. Deny the allegations set forth in paragraph “86” of the Petition.

94. Deny the allegations set forth in the unnumbered paragraph preceding paragraph “87” of the Petition.

95. Deny the allegations set forth in paragraph “87” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] and the cases cited therein for a true and complete statement of their content and effect.

96. Deny the allegations set forth in paragraph “88” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] and the cases cited therein for a true and complete statement of their content and effect.

97. Deny the allegations set forth in paragraph “89” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] for a true and complete statement of their content and effect.

98. Deny the allegations set forth in paragraph “90” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] and the cases cited therein for a true and complete statement of their content and effect.

99. Deny the allegations set forth in paragraph “91” of the Petition, and respectfully refer the Court to the Resolution [R. 1-14] and the cases cited therein for a true and complete statement of their content and effect.

100. Deny the allegations set forth in paragraph “92” of the Petition, and respectfully refer the Court to the cited statute for a true and complete statement of its content and effect.

101. Deny the allegations set forth in paragraph “93” of the Petition, and respectfully refer the Court to the Congregation’s Application [R. 15-183] for a true and complete statement of its content and effect.

102. Deny the allegations set forth in paragraph “94” of the Petition, and respectfully refer the Court to City Charter §192, for a true and complete statement of CPC’s purpose, and City Charter §3020, for a true and complete statement of the New York City Landmarks Preservation Commission’s (“Landmarks Preservation Commission”) purpose.

103. Deny the allegations set forth in paragraph “95” of the Petition.

104. Deny the allegations set forth in paragraph “96” of the Petition.

105. Deny the allegations set forth in paragraph “97” of the Petition.

106. Deny the allegations set forth in paragraph “98” of the Petition, except admit that Petitioners purport to proceed as set forth therein.

107. Deny the allegations set forth in paragraph “99” of the Petition, except admit that Petitioners purport to proceed as set forth therein.

108. In response to the allegations set forth in paragraph “100” of the Petition, City Respondents repeat and reallege their responses contained in paragraphs “1” through “107” of this Answer with the same force and effect as if fully set forth therein.

109. Deny the allegations set forth in paragraph “101” of the Petition.

110. Deny the allegations set forth in paragraph “102” of the Petition, except admit that Petitioners purport to proceed as set forth therein.

111. Deny that Petitioners are entitled to any of the relief sought in the WHEREFORE clause of the Petition.

STATEMENT OF MATERIAL FACTS

The Subject Property and Applicable Zoning Requirements

112. The property which is the subject of this proceeding is known as 6-10 West 70th Street, and also known as 99-100 Central Park West in Manhattan (“the subject property”). The subject property is located within the Upper West Side/Central Park West

Historic District and consists of 2 tax lots (Block 1122, Lots 36 and 37), with a total lot area of 17,286 square feet. Pursuant to New York City Zoning Resolution (“Zoning Resolution”) Section 12-10, the lots constitute a single Zoning Lot because the two tax lots have been in common ownership since 1984 (the date of the adoption of the existing zoning district boundaries – i.e. “an applicable amendment to the Zoning Resolution”). The Zoning Lot has 172 feet of frontage along the south side of West 70th Street, and 100.5 feet of frontage on Central Park West, and is situated partially in an R8B residence zoning district and partially in an R10A residence zoning district [R. 1-2 (§§ 12, 13, 15, 19, 20, 22)].

113. The use and development of property located in residence zoning districts is governed by various use and bulk regulations set forth in Article II of the Zoning Resolution.

114. A “use” is “any purpose for which a building or other structure or tract of land may be designed, arranged, intended, maintained or occupied” or “any activity, occupation, business, or operation carried on, or intended to be carried on, in a building or other structure or on a tract of land.” See Zoning Resolution §12-10. Bulk regulations are essentially addressed to building size and open lot space requirements. See Zoning Resolution §12-10.

115. In order to develop a property with a non-conforming use or a non-complying bulk, an applicant is first required to apply to New York City Department of Buildings (“DOB”). After DOB issues its denial of the non-conforming or non-complying proposal, a property owner may apply to the BSA for a variance. Absent the grant of a variance by the BSA, the use and development of property must conform to and comply with the use and bulk regulations for the zoning district in question.

116. Presently, tax lot 36 is improved with a landmarked Synagogue and a connected four-story parsonage house that is 75 feet tall and totals 27,760 square feet of floor area. Tax lot 37, which has a lot area of approximately 6,400 square feet, is improved, in part,

with a four-story Synagogue community house totaling 11,079 square feet of floor area. The community house occupies approximately 40% of the tax lot area, and the remaining 60% is vacant [R. 2, 6 (¶¶ 16, 17, 82)].

117. This proceeding concerns an application by the Congregation, a not-for-profit religious institution, to demolish the community house that presently occupies tax lot 37 and replace it with a nine-story (including penthouse) and cellar mixed-use community facility/residential building that does not comply with the zoning parameters for lot coverage, rear yard, base height, building height, front setback, and rear setback applicable in the residential zoning districts in which the zoning lot sits (“the proposed building”) [R.1-2 (¶¶ 1-3, 24, 27)].²

118. The proposed building will have community facility uses on two cellar levels and the lower four stories and residential uses on the top five stories (although a minimal amount of the floor area on the first through fourth floors will also be dedicated to the residential use) [R. 2, 7 (¶¶ 24, 84)]. The community facility uses will include: mechanical space and a multi-function room on the sub-cellar level with a capacity of 360 persons for the hosting of life cycle events and weddings, dairy and meat kitchens, babysitting and storage space on the cellar level, a synagogue lobby, rabbi’s office and archive space on the first floor, toddler classrooms on the second floor, classrooms for the Synagogue’s Hebrew School and the Beit Rabban day school on the third floor, and a caretaker’s apartment and classrooms for adult education on the

² To aid the Court concerning these requirements, lot coverage is that portion of a zoning lot which, when viewed from above, is covered by a building; the rear yard is that portion of the zoning lot which extends across the full width of the rear lot line and is required to be maintained as open space; the base height of a building is the maximum permitted height of the front wall of a building before any required setback; the building height is the total height of the building measured from the curb level or base plane to the roof of the building; and a setback is the portion of a building that is set back above the base height before the total height of the building is achieved. Z.R. §12-10.

fourth floor. [R. 3 (¶ 39)]. All uses are as-of-right in the residence zoning districts in question and no use waivers were requested by the Congregation. At the first hearing before the BSA, representatives for the Congregation discussed the reasons why a new facility is needed, including the need to: 1) accommodate the growth in membership from 300 families when the synagogue first opened to its present 550 families; and 2) update the 110-year old building to make it more easily handicapped accessible [R. 1728-46].

The residential uses will include five market-rate residential condominium units, and are proposed to be configured as follows: mechanical space and accessory storage on the cellar level, elevators and a small lobby on the first floor, core building space on the second, third and fourth floors, and one condominium unit on each of the fifth through eighth and ninth (penthouse) floors [R. 6 (¶ 83)].

120. The proposed building will have a total floor area of 42,406 square feet, comprising 20,054 square feet of community facility floor area and 22,352 square feet of residential floor area [R. 2 (¶ 26)]. The proposed building will have a base height along West 70th Street of 95'-1" (60 feet is the maximum permitted in an R8B zoning district), with a front setback of 12'-0" (a 15'-0" setback is the minimum required in an R8B zoning district), a total height of 105'-10" (75'-0" is the maximum permitted in an R8B zone), a rear yard of 20'-0" for the second through fourth floors (20'-0' is the minimum required), a rear setback of 6'-8" (10'-0" is required in an R8B zone), and an interior lot coverage of 80 percent (70 percent is the maximum permitted lot coverage) [R. 2 (¶ 27)].³

³ The Congregation initially proposed a nine-story building without a court above the fifth floor and a total floor area approximately 550 square feet larger than what it ultimately applied for. The Congregation modified the proposal to provide a complying court at the north rear above the fifth floor, thereby reducing the floor plates of the sixth, seventh and eighth floors of the building by approximately 556 square feet and reducing the floor plate of the ninth floor penthouse by approximately 58 square feet, for an overall reduction in the variance of the rear yard setback by

121. The Congregation submitted its development application to DOB and, on or about March 27, 2007, DOB's Manhattan Borough Commissioner denied the Congregation's development application, citing eight objections. After revisions to the application by the Congregation, the Manhattan Borough Commissioner issued a second determination on the Congregation's application which eliminated one of the prior objections. DOB's second determination, which was issued on August 27, 2007, became the basis for the Congregation's variance application before the BSA [R. 1 (¶ 1)].

122. The Zoning Resolution provides that the BSA may grant a variance to modify the applicable zoning regulations only where the BSA determines that (1) there are practical difficulties or unnecessary hardships involved in carrying out the strict letter of the provision, (2) the proposed use will not have a detrimental effect on the surrounding area, and (3) the proposed variance is the minimum necessary to afford relief. In making such a determination, the BSA, pursuant to Zoning Resolution §72-21, is required to make "each and every one" of five specific findings of fact, as follows:

[w]hen in the course of enforcement of this Resolution, any officer from whom an appeal may be taken under the provisions of Section 72-11 (General Provisions) has applied or interpreted a provision of this Resolution, and there are practical difficulties or unnecessary hardship in the way of carrying out the strict letter of such provision, the Board of Standards and Appeals may, in accordance with the requirements set forth in this Section, vary or modify the provision so that the spirit of the law shall be observed, public safety secured, and substantial justice done.

Where it is alleged that there are practical difficulties or unnecessary hardship, the Board may grant a variance in the application of the provisions of this Resolution in the specific case, provided that as a condition to the grant of any such variance, the Board shall make each and every one of the following findings:

25 percent and a reduction of approximately 600 square feet in the residential floor area [R. 2 (¶ 29)].

(a) that there are unique physical conditions, including irregularity, narrowness or shallowness of lot size or shape, or exceptional topographical or other physical conditions peculiar to and inherent in the particular zoning lot; and that, as a result of such unique physical conditions, practical conditions, practical difficulties or unnecessary hardship arise in complying strictly with the use or bulk provisions of the Resolution; and that the alleged practical difficulties or unnecessary hardship are not due to circumstances created generally by the strict application of such provisions in the neighborhood or district in which the zoning lot is located;

(b) that because of such physical conditions there is no reasonable possibility that the development of the zoning lot in strict conformity with the provisions of this Resolution will bring a reasonable return, and that the grant of a variance is therefore necessary to enable the owner to realize a reasonable return from such zoning lot; this finding shall not be required for the granting of a variance to a non-profit organization;

(c) that the variance, if granted, will not alter the essential character of the neighborhood or district in which the zoning lot is located; will not substantially impair the appropriate use or development of adjacent property; and will not be detrimental to the public welfare.

(d) that the practical difficulties or unnecessary hardship claimed as a ground for a variance have not been created by the owner or by a predecessor in title; however, where all other required findings are made, the purchase of a zoning lot subject to the restrictions sought to be varied shall not itself constitute a self-created hardship; and

(e) that within the intent and purposes of this Resolution the variance, if granted, is the minimum variance necessary to afford relief; and to this end, the Board may permit a lesser variance than that applied for.

123. In addition, Zoning Resolution §72-21 requires the BSA to set forth in its decision or determination:

each required finding in each specific grant of a variance, and in each denial thereof which of the required findings have not been satisfied. In any such case, each finding shall be supported by substantial evidence of other data considered by the Board in reaching its decision, including the personal knowledge of or inspection by the members of the Board.

Reports of other City agencies made as a result of inquiry by the Board shall not be considered hearsay, but may be considered by the Board as if the data therein contained were secured by personal inspection.

Congregation Shearith Israel's Application for a Variance

124. On or about April 1, 2007, the Congregation submitted an application to the BSA for waivers of zoning regulations for lot coverage and rear yard to develop a community facility that could accommodate its religious mission, and waivers of zoning regulations pertaining to base height, total height, front setback and rear setback to accommodate a market rate residential development that could generate a reasonable financial return [R. 2 (¶ 30)]. The application was designated by the BSA as Calendar Number 74-07-BZ [R. 1].

125. In support of its application, the Congregation submitted various documents to the BSA, which included, *inter alia*, a zoning analysis, a statement in support, an economic analysis, drawings and photographs [R. 15-183]. In its statement in support, the Congregation set forth the ways in which it complied with the five requirements of Zoning Resolution §72-21 [R. 19-48]. In compliance with environmental review requirements the Congregation also submitted an Environmental Assessment Statement (“EAS”) [R. 112-132].

Environmental Review

126. As part of a variance application, certain projects require review under the State Environmental Quality Review Act (“SEQRA”), which is codified in Article 8 of the Environmental Conservation Law (“ECL”). The state regulations implementing SEQRA are found at 6 NYCRR Part 617. SEQRA was enacted to compel governmental agencies to consider any environmental consequences of their actions, so that they may take steps to mitigate any adverse environmental impacts prior to approving or initiating the action. ECL § 8-0103.

127. SEQRA authorizes local governments to develop and implement environmental review procedures consistent with its mandate. New York City's procedures for

implementing SEQRA are set forth in the Mayor's Executive Order No. 91 of 1977, entitled City Environmental Quality Review ("CEQR"). CEQR is found in the Rules of the City of New York ("RCNY") Title 43, Chapter 6, as modified by regulations subsequently adopted by the City Planning Commission, codified as 62 RCNY Chapter 5.

128. CEQR establishes a multi-stage process for environmental review of proposed governmental actions, conducted by a lead agency. Where, as here, the proposed action is a variance of the zoning resolution, the lead agency is the Board of Standards and Appeals. See 62 RCNY § 5-03(b)(5).

129. Both SEQRA and its implementing regulations contemplate that environmental review will only be required of agency actions which cause, facilitate or permit some significant change in the physical environment. See 6 NYCRR § 617.11.

130. Initially, the lead agency must make a threshold determination as to whether the proposed action is subject to environmental review. See 62 RCNY § 5-05(a). If the project is determined to be subject to environmental review, the proposed action must be assessed for possible environmental consequences. In this regard, the lead agency is required to prepare an EAS containing a detailed environmental assessment of the action, and to then make a determination, based on the EAS, as to whether the proposed action may have significant effect on the environment. See 62 RCNY § 5-05(b).

131. The areas that can be analyzed in an EAS in "assessing the existing and future environmental settings," pursuant to the CEQR Technical Manual at 3A-1, include, *inter alia*: land use, zoning, socioeconomic conditions, open space and recreational facilities, shadows, neighborhood character, hazardous materials, waterfront revitalization programs, air quality, solid waste and sanitation services, traffic and parking, and noise.

132. If the lead agency determines that the proposed action may have a significant effect on the environment, then it issues a positive declaration and an Environmental Impact Statement (“EIS”) must be prepared. See 43 RCNY § 6-07(b). The EIS must describe the adverse environmental impacts identified in the EAS, identify any mitigation measures that could minimize those impacts, and discuss alternatives to the proposed action and their comparable impacts. See 43 RCNY § 6-09.

133. If, however, the lead agency determines that the proposed action will not have a significant effect on the environment, then it issues either a negative declaration or a conditional negative declaration.⁴ Where a conditional negative declaration has been issued, an EIS is not required, because in such circumstances there are no adverse impacts to describe, nor is there a need to identify mitigation measures or to consider alternatives to the proposed action. See 43 RCNY § 6-07(b).

BSA’s Review of Congregation Shearith Israel’s Variance Application

134. On or about June 15, 2007, BSA provided the Congregation with a Notice of Objections to its variance application [R. 253-59]. By letter dated September 10, 2007, the Congregation provided responses to the BSA’s June 15, 2007 objections, including, *inter alia*, an updated statement in support of its application, drawings, and a shadow study [R. 308-468]. A second set of objections was sent by the BSA to the Congregation on October 12, 2007 [R. 512-15]. The Congregation responded to the BSA’s second set of objections in a submission dated October 27, 2007 [R. 536-641].

⁴ A conditional negative declaration is “a written statement prepared by the lead agencies after conducting an environmental analysis of an action and accepted by the applicant in writing, which announces that the lead agencies have determined that the action will not have a significant effect on the environment if the action is modified in accordance with conditions or alternative designed to avoid adverse environmental impacts.” See 43 RCNY § 6-02.

135. After due notice by publication and mailing, a public hearing on Calendar Number 74-07-BZ was held by the BSA on November 27, 2007 [R. 1 (¶ 4), 1648-63, 1726-1823]. The public hearing continued on February 12, 2008 [R. 1 (¶ 4), 3653-758], April 15, 2008 [R. 1 (¶ 4), 4462-515], June 14, 2008 [R. 1 (¶ 14), 4937-74], and on to decision on August 26, 2008 [R. 1 (¶ 4), 5784-95].

136. Opponents to the application, including Petitioners, presented testimony at each of the public hearings, and made written submissions in opposition to the application. In their testimony and submissions, Petitioners and other opponents attempted to discredit the applicant's arguments that the five findings had been met. Specifically, the Opposition⁵ touched on arguments including, *inter alia*, 1) the ability of the Congregation to satisfy its programmatic needs through an as-of-right development; 2) the ability of the Congregation to recognize a reasonable return on its investment from an as-of-right development; and 3) the detrimental effects the proposed development will have on the community, including the loss of windows in the adjoining buildings.

137. During the public hearings, counsel for the Congregation presented the case for granting the variance, establishing each of the five criteria necessary for the granting of a variance pursuant to Zoning Resolution §72-21. In addition, after each hearing the Congregation followed-up with additional written submissions to respond to questions and concerns raised by the BSA Commissioners and members of the Opposition during the hearing.

138. After conducting an environmental review in accordance with SEQRA and CEQR which found that the Congregation's proposed development would not have a

⁵ References to "the Opposition" are to the group of people who testified before the BSA in opposition to the Congregation's application, including counsel for the petitioners herein.

significant adverse impact on the environment,⁶ considering all the submissions and testimony before it, and after visiting the site and surrounding area, the BSA met on August 26, 2008 and adopted a Resolution granting the variance by a vote of five to zero [R. 1-14].

139. Specifically, the BSA concluded as follows:

WHEREAS, thus, the Board has determined that the evidence in the record supports the findings required to be made under Z.R. §72-21; and

WHEREAS, the project is classified as a Type I action pursuant to 6 NYCRR, Part 617; and

WHEREAS, the Board has conducted an environmental review of the proposed action and has documented relevant information about the project in the Final Environmental Assessment Statement (EAS) CEQR No. 07BSA071M dated May 13, 2008; and

WHEREAS, the EAS documents that the project as proposed would not have significant adverse impacts on Land Use, Zoning, and Public Policy; Socioeconomic Conditions; Community Facilities and Services; Open Space; Shadows; Historic Resources; Urban Design and Visual Resources; Neighborhood Character; Natural Resources; Waterfront Revitalization Program; Infrastructure; Solid Waste and Sanitation Services; Energy; Traffic and Parking; Transit and Pedestrians; Air Quality; Noise; and Public Health; and

WHEREAS, the Board has determined that the proposed action will not have a significant adverse impact on the environment.

Therefore it is Resolved that the Board of Standards and Appeals issues a Negative Declaration with conditions as stipulated below, prepared in accordance with Article 8 of the New York State Environmental Conservation Law and 6 NYCRR Part 617, the Rules of Procedure for City Environmental Quality Review and Executive Order No. 91 of 1977, as amended, and makes the required findings under Z.R. §72-21, to permit, on a site partially within an R8B district and partially within an R10A district within the Upper West Side/ Central Park West Historic District, the proposed construction of a nine-story and cellar mixed-use community facility/ residential building that does not comply with

⁶ This finding obviated the need for the preparation of an Environmental Impact Statement. See 43 RCNY § 6-07(b).

zoning parameters for lot coverage, rear yard, base height, building height, front setback and rear setback contrary to Z.R. §§ 24-11, 77-24, 24-36, 23-66, and 23-633; on condition that any and all work shall substantially conform to drawings as they apply to the objections above noted, filed with this application marked “Received May 13, 2008” – nineteen (19) sheets and “Received July 8, 2008” – one (1) sheet; and on further condition:

THAT the parameters of the proposed building shall be as follows: a total floor area of 42,406 sq. ft.; a community facility floor area of 20,054 sq. ft.; a residential floor area of 22,352 sq. ft.; a base height of 95’-1””; with a front setback of 12’-0””; a total height of 105’-10””; a rear yard of 20’-0””; a rear setback of 6’-8””; and an interior lot coverage of 0.80; and

THAT the applicant shall obtain an updated Certificate of Appropriateness from the Landmarks Preservation Commission prior to any building permit being issued by the Department of Buildings;

THAT refuse generated by the Synagogue shall be stored in a refrigerated vault within the building, as shown on the BSA-approved plans;

THAT this approval is limited to the relief granted by the Board, in response to specifically cited and filed DOB/other jurisdiction objection(s) only;

THAT the approved plans shall be considered approved only for the portions related to the specific relief granted;

THAT substantial construction be completed in accordance with Z.R. §72-23;

THAT the Department of Buildings must ensure compliance with all other applicable provisions of the Zoning Resolution, the Administrative Code, and any other relevant laws under its jurisdiction irrespective of plan(s)/configuration(s) not related to the relief granted [R. 13-14 (§§ 218-230)].

Procedural History

140. By Amended Summons and Complaint dated September 29, 2008, Plaintiffs commenced the instant action seeking an order “[v]acating the BSA Resolution [74-07-BZ] and declaring it to be null and void and without force or effect” and “[e]njoining Defendants from taking any action based upon the BSA Resolution.” See Complaint at Wherefore Clause.

141. On December 5, 2008, City Respondents moved to dismiss the Complaint on the grounds that Petitioners improperly commenced the instant matter as a plenary action rather than as a CPLR Article 78 proceeding.

142. On the same date, the Congregation moved to dismiss the Complaint on the grounds that Petitioners: 1) failed to file their Amended Complaint in accordance with CPLR §304; and 2) improperly filed a plenary lawsuit instead of an Article 78 proceeding.

143. By Affirmation and Memorandum of Law dated January 9, 2009, Petitioners opposed Respondents' motions.

144. On January 26, 2009, Respondents served Petitioners with Reply Memorandums of Law.

145. By Decision dated April 17, 2009, the Court denied Respondents' motions and converted Petitioners' plenary action to an Article 78 proceeding.

146. For the reasons set forth herein, and in the accompanying Memorandum of Law, Petitioners' challenge to the Resolution should be denied, and the Resolution upheld, since BSA's determination was rational and proper in all respects.

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

147. Pursuant to CPLR §7803(2), the Court may examine "whether the body or officer proceeded... in excess of [its] jurisdiction." Here, Petitioners assert that BSA lacked jurisdiction under City Charter §666(6)(a) because the DOB objections which precipitated the BSA's review of the application, were not issued by either the DOB Commissioner or DOB Manhattan Borough Commissioner. Petitioners further assert that BSA lacked jurisdiction because the plans BSA reviewed, in adopting the Resolution, were not filed with or reviewed by the DOB. Petitioners are incorrect.

148. BSA's jurisdiction to hear an application for variances from zoning regulations, such as the instant application, is conferred by City Charter §§666(5) and 668, not City Charter §666(6)(a). Specifically, City Charter §666(5) provides that "[t]he board shall have power:... [t]o determine and vary the application of the zoning resolution as may be provided in such resolution and pursuant to section six hundred sixty-eight." Further, City Charter §668 sets forth the procedure for the consideration of variance applications. Thus, contrary to Petitioners' argument, there was no requirement that the DOB Commissioner or DOB Manhattan Borough Commissioner issue the DOB objections considered by the BSA, or that DOB review the Congregations' plans before the BSA could consider the Congregations' application. Accordingly, Petitioners' argument fails.⁷

⁷ Notably, Petitioners' arguments are flawed for several additional reasons. First, while the BSA requires variance applicants to submit Notices of Objections from DOB, the requirement was implemented administratively as a practical matter, not as a pre-requisite for jurisdiction. Indeed, by requiring variance applicants to submit Notices of Objections from DOB, the BSA is able to determine whether an applicant actually requires a variance, thereby enabling it to eliminate variance applications based on supposition. Second, to the extent Petitioners argue that the BSA should have required the Congregation to respond to the BSA's objections which were based on the objection listed as number 8 on DOB's Notice of Objections, Petitioners are incorrect. As reflected by the Record, DOB, upon reconsideration omitted objection number 8 [R. 18, 348]. Consequently, the BSA objections predicated on DOB objection number 8 were moot, and did not require responses [R. 18, 253-259, 348]. Third, to the extent Petitioners hypothesize that the plans originally reviewed by DOB in drafting DOB's initial March 27, 2007 Notice of Objections were not the same plans the Congregation submitted to BSA with its variance application, Petitioners' argument is irrelevant because the BSA did not utilize the March 27, 2007 Notice of Objections or underlying plans in reaching its final agency determination. Rather, the BSA considered the DOB Notice of Objections issued in August 2007 [R. 1, 348]. Indeed, as reflected by the Record, after submitting its variance application to the BSA in April 2007, the Congregation submitted revised plans to DOB. The DOB, having reviewed the revised plans, issued a new Notice of Objections in August 2007. The August 2007 Notice of Objections was thereafter submitted to the BSA to supersede the March 27, 2007 Notice of Objections. Regardless, the plans submitted with a BSA variance application do not have to be the exact same plans which were submitted to DOB. Contrary to Petitioners' suggestion, an applicant may amend its plans either before or after submitting them to the BSA so as to address DOB objections or the need for variances. In fact, as in the instant matter, the plans reviewed by the BSA in reaching its final agency determination typically undergo several revisions to address concerns, including ensuring the variance sought is the minimum necessary.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

149. Respondent BSA's determination to grant the Congregation's application for a variance pursuant to Zoning Resolution §72-21 was not arbitrary and capricious, or an abuse of discretion. Rather, the determination was rational and reasonable and supported by the Record.

A. Applicable Standard of Review.

150. Administrative agencies enjoy broad discretionary power when making determinations on matters that they are empowered to decide. Judicial review of a BSA determination is limited in scope to the question of whether such determination was arbitrary and capricious or an abuse of discretion. CPLR § 7803(3). Section 7803 of the New York Civil Practice Law and Rules provides in pertinent part:

The only questions that may be raised in a proceeding under this article are:

....

3. whether a determination was made in violation of lawful procedure, was affected by an error of law or was arbitrary and capricious or an abuse of discretion, including abuse of discretion as to the measure or mode of penalty or discipline imposed...

151. It is well settled that a reviewing court should not examine the facts de novo or substitute its own judgment for that of the administrative agency, but should review the whole record to determine whether there is a rational basis to support the findings supporting the agency's determination.

B. The BSA's Determination Satisfies the Standard of Review.

152. The BSA is an expert body comprised of persons with unique professional qualifications, including a planner and a registered architect both with at least ten years of experience. See City Charter §659. As noted above, Zoning Resolution § 72-21 provides that

the BSA may grant variances of the Zoning Resolution in specific cases of practical difficulties or unnecessary hardship, provided each and every one of the five findings of fact set forth in that section are made. See ¶ 187 supra, for the full text of that section and the required findings.

153. Here, as detailed above, the Congregation applied to BSA for “waivers of zoning regulations for lot coverage and rear yard to develop a community facility that can accommodate its religious mission,” and “waivers of zoning regulations pertaining to base height, total height, front setback, and rear setback to accommodate a market rate residential development that can generate a reasonable financial return” [R. 2 (¶30)]. After reviewing voluminous submissions by both the Congregation and Opposition, holding four hearings,⁸ and considering the applicable law, the BSA rationally granted the Congregation’s application because it had met each of the five specific findings of fact.

Religious and Educational Institution Deference

154. The BSA properly concluded that, to the extent the Congregation was seeking variances to develop a community facility, it was entitled to significant deference under the laws of the State of New York [R. 2-3 (¶ 31), citing, Westchester Reform Temple v. Brown, 22 N.Y.2d 488 (1968)]. This determination was rational and reasonable as it was based on decisions of the Court of Appeals, i.e., Westchester Reform Temple v. Brown, 22 N.Y.2d 488 (1968), Cornell Univ. v. Bagnardi, 68 N.Y.2d 583 (1986)), and Jewish Recons. Syn. of No. Shore v. Roslyn Harbor, 38 N.Y.2d 283 (1975)), and Zoning Resolution §72-21(b) which provide that a not-for-profit institution is generally exempted from having to establish that the property for which a variance is sought could not otherwise achieve a reasonable financial return. [R. 2-3 (¶ 31, ¶ 45), R.. 11 (¶ 165)]

⁸ The public hearing on Calendar Number 74-07-BZ was held by the BSA on November 27, 2007, and thereafter continued on February 12, 2008, April 15, 2008, and June 14, 2008 [R. 1 (¶ 14)].

155. The BSA properly did not extend this deference to the revenue-generating residential portion of the site because it is not connected to the mission and program of the Synagogue. As found by the BSA, under New York State law, a not-for-profit organization which seeks land use approvals for a commercial or revenue-generating use is not entitled to the deference that must be afforded to such an organization when it seeks to develop a project that is in furtherance of its mission [R. 3 (¶ 34), citing, Little Joseph Realty v. Babylon, 41 N.Y.2d 738 (1977); Foster v. Saylor, 85 A.D.2d 876 (4th Dept. 1981) and Roman Cath. Dioc. of Rockville Ctr. v. Vill. of Old Westbury, 170 Misc.2d 314 (1996)].

156. Thus, the Board properly subjected the Congregation's application to the standard of review required under Zoning Resolution §72-21 for the discrete community facility, and residential development uses, respectively, and evaluated whether the proposed residential development met all the findings required by Zoning Resolution §72-21, notwithstanding its sponsorship by a religious institution [R. 3 (¶¶ 33, 35, 36)].

157. To the extent Petitioners argue that the BSA unconstitutionally delegated its authority to the Congregation by granting it deference, Petitioners' argument does not merit serious consideration. In support of its argument, Petitioners allege that the "BSA is charged by the General City Law, the City Charter and the Zoning Resolution with the sole and exclusive authority to determine variance applications. By deferring to CSI for such determinations, BSA abrogated its duty and responsibility and improperly and illegally delegated its authority to CSI." Petition at ¶83. Petitioners misrepresent BSA's actions. BSA did not delegate its authority to the Congregation, i.e., permit the Congregation to review its own variance application for compliance with Zoning Resolution §72-21. Rather, as set forth herein, and as required by law, the BSA properly granted the Congregation limited deference, i.e., did not require the Congregation to establish that it could not earn a reasonable return by developing the community

facility as an as-of-right development, or second guess the Congregation's determinations as to where it needed to place its programs within the facility, because the Congregation, as a not-for-profit organization, sought variances for a community facility in furtherance of its mission. Zoning Resolution § 72-21(b); [R. 4-5 (¶ 62), citing, Guggenheim Neighbors v. Bd. of Estimate, June 10, 1998 N.Y. Sup. Ct., Index No. 29290/87, aff'd 145 A.D.2d 998 (1988), lv. to appeal denied, 74 N.Y.2d 603 (1989) and Jewish Recons. Syn. of No. Shore v. Roslyn Harbor, 38 N.Y.2d 283 (1975)]. Contrary to Petitioners' allegation, this deference was not complete. Indeed, as required by law and evidenced by the Record, BSA required the Congregation to establish that it satisfied the requisite specific findings of fact set forth under Zoning Resolution §72-21.

Finding (a)

158. Zoning Resolution § 72-21(a) [the "(a) finding"] requires a showing that the subject property has "unique physical conditions" which create practical difficulties or unnecessary hardship in complying strictly with the permissible zoning provisions and that such practical difficulties are not due to the general conditions of the neighborhood.

Community Facility Variances

159. The BSA properly determined that a combination of the programmatic needs of the Congregation, and the unique physical conditions at the Property, including the physical obsolescence and poorly configured floor plates⁹ of the existing Community House, created an "unnecessary hardship and practical difficulty in developing the site in compliance with the applicable zoning regulations" [R. 5 (¶ 74)].

160. With regard to its programmatic needs, the Congregation represented that the requested variances were needed to permit it to: 1) expand its lobby ancillary space; 2)

⁹ A floor plate is the total area of a single floor of a building.

expand its toddler program which was expected to serve approximately 60 children; 3) develop classroom space for 35 to 50 afternoon and weekend students in the Synagogue's Hebrew school, and a projected 40 to 50 students in the Synagogue's adult education program; 4) provide a residence for an onsite caretaker to ensure that the Synagogue's extensive collection of antiques is protected against electrical, plumbing or heating malfunctions; and 5) develop shared classrooms that will also accommodate the Beit Rabban day school [R. 3 (¶ 42)]. The Congregation also represented that the proposed community facility portion of the building would permit the growth of new religious, pastoral and educational programs to accommodate a congregation which has grown from 300 families to 550 families [R. 3 (¶ 43)]. Moreover, the Congregation represented that the proposed building will provide new horizontal and vertical circulation systems to provide barrier-free access to the Synagogue's sanctuaries and ancillary facilities [R. 5 (¶ 73)].¹⁰ The BSA, citing to case law, rationally found that the Congregation's programmatic needs constituted an "unnecessary hardship and practical difficulty in developing the site in compliance with the applicable zoning regulations" [R. 5 (¶ 64), citing, Uni. Univ. Church v. Shorten, 63 Misc.2d 978, 982 (Sup. Ct. 1970)]; Slevin v. Long Isl. Jew. Med. Ctr., 66 Misc.2d 312, 317 (Sup. Ct. 1971)]. In doing so, BSA properly found that since the Congregation was seeking to advance its programmatic needs, the Congregation was "entitled to substantial deference under the law of the State of New York as to zoning" [R. 3 (¶45)].

161. In addition to its programmatic needs, the Congregation represented that site conditions created an unnecessary hardship in developing the site in compliance with

¹⁰ The Congregation also initially cited its need to generate revenue as a programmatic need. However, because New York State law does not recognize revenue generation as a valid programmatic need for a not-for-profit organization (even if the revenue is to be used to support a school or a worship space), the BSA asked the Congregation to explain its programmatic needs without reliance on a need to generate revenue, and evaluated the Congregation's request without considering the need to generate revenue [R. 6 (¶¶ 79-80)].

applicable regulations as to lot coverage and yards. To this end, the Congregation submitted that if it were required to comply with the applicable 30'-0" rear yard and lot coverage, the floor area of the community facility would be reduced by approximately 1,500 square feet [R. 4 (¶ 46)]. As a practical matter, this reduction would not serve the Congregation's programmatic needs because it would necessitate a reduction in the size of three classrooms per floor, thereby affecting nine proposed classrooms which would consequently be too narrow to accommodate the proposed students. Specifically, reducing the classroom floor area would reduce the toddler program by approximately 14 children, and reduce the size of the Synagogue's Hebrew School, Adult Education program, and other programs and activities [R. 4 (¶¶ 47-49)]. In addition, the floor plates of a compliant building would be small and inefficient with a significant portion of both space, and floor area allocated toward circulation space, egress and exits [R. 4 (¶ 48)].

162. After assessing the Congregation's assertions regarding its programmatic needs and the physical characteristics of the property, the BSA rationally concluded that the Congregation satisfied the (a) finding with regard to the community facility use. Specifically, the BSA stated:

WHEREAS, . . . the Board finds that the aforementioned physical conditions, when considered in conjunction with the programmatic needs of [the] Synagogue, create unnecessary hardship and practical difficulty in developing the site in compliance with the applicable zoning regulations [R. 5 (¶ 74)].

163. In coming to this conclusion, the BSA also rationally rejected arguments raised by the Opposition.¹¹

164. First, the BSA considered the Opposition's argument that the Congregation cannot satisfy the (a) finding based solely on its programmatic need and must still

¹¹ As detailed above, references to the Opposition are to the group of people who testified before the BSA in opposition to the Congregation's application, including Petitioners herein.

demonstrate that the site is burdened by a unique physical hardship in order to qualify for a variance [R. 4-5 (¶¶ 51-4, 75-6)].

165. In response to this objection, the BSA pointed out that not only did the Congregation assert that the site is burdened with a physical hardship that constrains an as-of-right development (e.g. limited development areas and obsolete existing Community House with poorly constructed floor plates), but that in accordance with cases such as Diocese of Rochester v. Planning Board, 1 N.Y.2d 508 (1956), Westchester Ref. Temple v. Brown, 22 N.Y.2d 488 (1968) and Islamic Soc. of Westchester v. Foley, 96 A.D.2d 536 (2d Dept. 1983), zoning boards must accord religious institutions a presumption of moral, spiritual and educational benefit in evaluating applications for zoning variances and, therefore, religious institutions need not demonstrate that the site is also encumbered by a physical hardship [R. 4 (¶ 52)].

166. Moreover, the BSA pointed out that the cases relied upon by the Opposition in support of their argument that the Congregation must establish a physical hardship [e.g. Yeshiva & Mesivta Toras Chaim v. Rose, 136 A.D.2d 710 (2d Dept. 1988) and Bright Horizon House, Inc. v. Zng. Bd. Of Appeals of Henrietta, 121 Misc.2d 703 (Sup. Ct. 1983)] are inapposite here because both of the cases concerned situations where the zoning boards determined that the variance requests were not related to religious uses and were not ancillary uses to a religious institution in which the principal use was a house of worship [R. 4 (¶ 53-4)].

167. In contrast, here the BSA concluded that “the proposed Synagogue lobby space, expanded toddler program, Hebrew school and adult education program, caretaker’s apartment and accommodation of Beit Rabban day school constitute religious uses in furtherance of the Synagogue’s program and mission” [R. 4 (¶ 55)]. Indeed, it is well-settled that day care centers and preschools have been found to constitute uses reasonably associated with the overall purpose of a religious institution [R. 5 (¶ 64), citing, Uni. Univ. Church, 63 Misc.2d at 982]. The

BSA also properly concluded that the operation of the Beit Rabban school constitutes a religious activity [R. 5 (¶ 66), citing, Slevin, 66 Misc.2d at 317]. Thus, the BSA rationally rejected the Opposition's argument because: 1) the Congregation established that there are physical hardships in developing the site with a conforming building; and 2) it was not necessary for the Congregation to establish such physical hardship in order for the Congregation to satisfy the (a) finding.

168. Second, the BSA rationally rejected the Opposition's argument that the Congregation's programmatic needs are too speculative to serve as the basis for an (a) finding, [R. 4 (¶ 56)]. The BSA's finding was reasonable because in evaluating the Congregation's programmatic needs for the variance, it required the Congregation to submit documentation regarding the proposed programmatic floor area. Indeed, the Congregation submitted a detailed analysis of the programmatic needs of the Synagogue on a space-by-space, and time allocated basis [R. 4 (¶ 57), 3884-6]. Based upon its review of the Congregation's submission, the BSA properly concluded that "the daily simultaneous use of the overwhelming majority of the spaces requires the proposed floor area and layout and associated waivers" [Id.].

169. Third, BSA rationally rejected the Opposition's argument that the Congregation's programmatic needs could be accommodated within an as-of-right building, or within the existing parsonage house already on the Congregation's campus [R. 4 (¶ 58-9)]. In this regard, the Board noted that the Congregation represented that an as-of right development would not meet its needs because the narrow width of the existing parsonage house (i.e. 24 feet) would make as-of-right development subject to the "sliver" limitations of Zoning Resolution

§23-692 which would limit the height of the as-of-right development.¹² The combination of this limit in height and the need to deduct area for an elevator and stairs would result in an as-of-right development generating little additional floor area [R. 4 (¶ 60)]. Moreover, the Congregation further represented that an as-of-right development would not address the circulation deficiencies of the Synagogue, and would block several dozen windows on the north elevation of 91 Central Park West [R. 4 (¶ 61)].

170. As the BSA correctly recognized, where a nonprofit organization has established the need to place its program in a particular location, it is not appropriate for a zoning board to second guess that decision [R. 4-5 (¶ 62), citing, Guggenheim Neighbors v. Bd. of Estimate, June 10, 1998 N.Y. Sup. Ct., Index No. 29290/87, aff'd 145 A.D.2d 998 (1988), lv. to appeal denied, 74 N.Y.2d 603 (1989) and Jewish Recons. Syn. of No. Shore v. Roslyn Harbor, 38 N.Y.2d 283 (1975)]. Furthermore, a zoning board may not wholly reject a request by a religious institution, but must instead seek to accommodate the planned religious use without causing the institution to incur excessive additional costs [R. 5 (¶ 63), citing, Islamic Soc. of Westchester, supra].

171. Fourth, the BSA rationally rejected the Opposition's suggestion that the Beit Rabban School is not a programmatic need of the Congregation because it is not operated for or by the Synagogue [R. 5 (¶ 65)]. As the BSA correctly noted, the operation of an educational facility on the property of a religious institution is construed to be a religious activity, and a valid extension of the religious institution for zoning purposes even if the school is operated by a separate corporate entity [R. 5 (¶ 66), citing, Slevin, supra]. Additionally, the

¹² The "sliver law" generally limits the height of new buildings and enlargements to existing narrow buildings in certain residence zoning districts, including R8 and R10 districts, in situations where the width of the street wall of a new building or the enlarged portion of an existing building is 45 feet or less. See Z.R. §23-692.

Congregation noted that the siting of the Beit Rabban School on the premises helps the Synagogue to attract congregants and thereby enlarge its congregation. As the BSA correctly recognized, “enlarging, perpetuating and strengthening itself” is a valid religious activity [R. 5 (¶ 67), citing, Community Synagogue v. Bates, 1 N.Y.2d 445, 448 (1958)].

172. Regardless, the BSA determined that even without the Beit Rabban school, the Congregation provided sufficient evidence showing that the requested floor area, and the waivers as to lot coverage and rear yard would be necessary to accommodate the Synagogue’s other programmatic needs [R. 5 (¶ 68)].

173. Fifth, the BSA properly rejected the Opposition’s unsupported assertion that a finding of “unique physical conditions” is limited solely to the physical conditions of the Zoning Lot itself and that unique conditions of an existing building on the lot or other construction constraints cannot fulfill the requirements of the (a) finding [R. 5 (¶ 75)].

174. In rejecting this theory, the BSA pointed to a variety of cases in which New York State courts have found that unique physical conditions under Zoning Resolution §72-21(a) can refer to buildings as well as land, and that obsolescence of a building is a proper basis for a finding of uniqueness [R. 5 (¶ 76), citing, Guggenheim, supra, UOB Realty (USA) v. Chin, 291 A.D.2d 248 (1st Dept. 2002), Matter of Commco, Inc. v. Amelkin, 109 A.D.2d 794, 796 (2d Dept. 1985) and Dwyer v. Polsinello, 160 A.D. 1056, 1058 (3d Dept. 1990)].

175. Finally, the Board rationally found that, contrary to the Opposition’s assertions, it was not necessary for the Congregation to establish a financial need for the development project in order to establish its entitlement to the requested variances. Indeed, as the BSA properly noted, “to be entitled to a variance, a religious or educational institution must establish that existing zoning requirements impair its ability to meet its programmatic needs;

neither New York State law, nor Z.R. §72-21, require a showing of financial need as a precondition to the granting of a variance to such an organization” [R. 5-6 (¶ 78)].

176. Thus, it is clear that the BSA properly assessed the requirements of Zoning Resolution §72-21(a) by looking at the attributes of the property in the aggregate, including the unique characteristics of the existing building, the limited ability to construct a conforming building and the programmatic needs of the applicant. It is also clear that the BSA properly considered, and rejected, the Opposition’s arguments with regard to the Congregation’s programmatic needs. The BSA’s conclusion that the Congregation satisfied the (a) finding with respect to the community facility variances is neither arbitrary, capricious, nor improper, and should be upheld by this Court.

Residential Variances

177. The BSA also properly determined that the base height, building height and front and rear setback variances requested by the Congregation to permit development of a building that would accommodate its proposed residential use satisfied the requirements of Zoning Resolution §72-21(a).

178. In support of its assertion that there are unique physical conditions that create practical difficulties and unnecessary hardship proceeding with an as-of-right development (i.e. a development that complies with all zoning requirements), the Congregation pointed to: 1) the development site’s location on a Zoning Lot that is divided by a zoning district boundary (i.e. that is partially in an R8B zoning district and partially in an R10A zoning district; 2) the existence and dominance of a landmarked synagogue on the Zoning Lot; and 3) the limitations on development imposed by the site’s contextual zoning district regulations¹³ [R. 6 (¶ 86)].

¹³ Contextual zoning districts regulate the height and bulk of new buildings, their setback from the street line, and their width along the street frontage, to produce buildings that are consistent

i. **Lot Division**

179. As to the development site's location on a zoning lot that is divided by a zoning district boundary, the Congregation explained that this division constrains an as-of-right development by imposing different height limitations on the two respective portions of the lot. In this regard, in the R10A portion of the Zoning Lot (approximately 73% of the lot), a building may have a total height of 185'-0" and a maximum base height of 125'-0",¹⁴ while in the R8B portion of the lot (approximately 27% of the lot) a building is limited to a total height of 75'-0" and a maximum base height of 60'-0" with a required front setback of 15'-0" at the maximum 60'-0" base height and a required rear setback of 10'-0". A complying development would, therefore, be forced to set back from the street line at the mid-point between the fifth and sixth floors [R. 6 (§§ 88-92)].

180. In addition, because the frontage of the portion of the development site within the R10A portion of the development site is less than 45 feet, the "sliver law" provisions of Z.R. §23-692 limit the maximum base height of an as-of-right building to 60'-0" [R. 6 (§ 94)].

181. A diagram provided by the Congregation indicates that less than two full stories of residential floor area would be permitted above a four-story community facility if the R8B zoning district front and rear setbacks and height limitations were applied to the development site [R. 7 (§ 95)]. As detailed above, the proposed development contemplates a total residential floor area of approximately 22,352 square feet, while an as-of-right development would allow for a residential floor area of only approximately 9,638 square feet [R. 6 (§§ 84-5)].

with existing neighborhood character. Medium- and higher-density residential and commercial districts with an A, B, D or X suffix are contextual districts.

¹⁴ This height would permit construction of a 16-story residential tower on the development site [R. 6 (§ 93)].

182. In response to the Congregation's assertions of uniqueness, the Opposition argued that the presence of a zoning district boundary within a lot is not a "unique physical condition" under the language of Zoning Resolution §72-21. In addition, the Opposition represented that there are four other properties owned by religious institutions and characterized by the same R10A/R8B zoning district boundary division within the area bounded by Central Park West and Columbus Avenue and 59th Street and 110th Street [R. 7 (§ 103)].

183. In response, the BSA stated that the location of a zoning district boundary, in combination with other factors such as the size and shape of a lot, and the presence of buildings on the site may create an unnecessary hardship in realizing the development potential otherwise permitted by the zoning regulations [R. 7 (§ 104), citing BSA Cal. No. 358-05-BZ, applicant WR Group 434 Port Richmond Avenue, LLC; BSA Cal. No. 388-04-BZ, applicant DRD Development, Inc.; BSA Cal. No. 291-03-BZ, applicant 6202 & 6217 Realty Company; and 208-03-BZ, applicant Shell Road, LLC)].

184. Moreover, the BSA concluded that the four sites pointed to by the Opposition, which are within a 51-block area of the subject site, would not, in and of themselves, be sufficient to defeat a finding of uniqueness because New York State law does not require that a given parcel be the only property so burdened by the condition(s) giving rise to the hardship in order to conclude that a site has "unique physical conditions" [R. 7 (§§ 105) and R. 7 (§ 106), citing, *Douglaston Civ. Assn. v. Klein*, 51 N.Y.2d 963, 965 (1980)]. Rather, all that is required is that the condition is not so generally applicable as to dictate that the grant of a variance to all similarly situated properties would effect a material change in the district's zoning [R. 7 (§§ 104-06)].

ii. Synagogue

185. The Board properly concluded that “the site is significantly underdeveloped and . . . the location of the landmark Synagogue limits the developable portion of the [Zoning Lot] to the development site” [R. 7-8 (¶ 112)].

186. As established by the Congregation, because the landmarked synagogue occupies nearly 63% of the Zoning Lot, only the area currently occupied by the parsonage house, and the proposed development site are available for development [R. 7 (¶¶ 107-09)]. As noted above, the narrow width of the parsonage house makes its development for the required purpose infeasible [R. 7 (¶ 110)].

187. Further, as explained by the Congregation, the site is unique because it is presently the only underdeveloped site overlapping the R10A/R8B district boundary line within a 20-block area to the north and south of the subject site [R. 7 (¶¶ 100-01)]. Moreover, the Congregation explained that all the properties within the 22-block neighboring area and bisected by the district boundary line are developed to a Floor Area Ratio (“FAR”)¹⁵ exceeding 10.0, while the subject zoning lot is currently developed to a FAR of 2.25 [R. 7 (¶ 102)].

188. To the extent Petitioners argue that the BSA was not permitted to consider the presence of the landmarked synagogue because “[p]ursuant to the Charter, the Landmarks Preservation Commission and the City Planning Commission are the sole agencies authorized and empowered to consider and resolve claims of prejudice to an owner caused by landmarking,” Petitioners misrepresent the law. [Petition ¶ 94]. As provided above and in the

¹⁵ FAR is the principal bulk regulation controlling the size of buildings. FAR is the ratio of total building floor area to the area of its zoning lot. Each zoning district has an FAR control which, when multiplied by the lot area of the zoning lot, produces the maximum amount of floor area allowable in a building on the zoning lot. For example, on a 10,000 square-foot zoning lot in a district with a maximum FAR of 1.0, the floor area of a building cannot exceed 10,000 square feet.

accompanying memorandum of law, the BSA, in determining whether a unique physical condition exists may take into consideration the buildings on the lot in question. That the building happens to be a landmarked building does not alter the BSA's authority to consider the presence of the building or from considering a variance application for a lot containing a landmarked building.

189. Further, contrary to Petitioners' argument, the BSA did not exercise the powers and duties delegated to the Landmarks Preservation Commission or CPC. Pursuant to City Charter §3020(6), the Landmarks Preservation Commission "shall have such powers and duties as shall be prescribed by law with respect to the establishment and regulation of landmarks, portions of landmarks, landmark sites, interior landmarks, scenic landmarks and historic districts." Additionally, pursuant to City Charter §3020(7) and (8), the CPC, having been provided notice of the proposed designation, oversees a public hearing regarding the designation of a landmark, and submits a report regarding the proposed designation to the City Council. Here, the BSA, by granting the challenged variances, did not establish or regulate the landmarked synagogue. Indeed, the variances do not permit the Congregation to alter the landmarked synagogue in any way.

iii. Limitations on Development Imposed by the Zoning Lot's Location

190. As to the limitations on development imposed by the Zoning Lot's location within the R8B contextual zoning district, the Congregation stated that the district's height limits and setback requirements, and the limitations imposed by the sliver law result in an inability to use the Synagogue's substantial surplus development rights [R. 8 (§ 113)].

191. In this regard, because the creation of the Zoning Lot predates the adoption of the R8B/R10A zoning district boundary, the provisions of Zoning Resolution §77-22 permit the Congregation to utilize an average FAR across the entire Zoning Lot. The maximum

permissible FAR in an R10A district (73% of the zoning lot) is 10.0 and the maximum permissible FAR in an R8B district (27% of the zoning lot) is 4.0 [R. 2 (§ 21-2)]. Using the averaging methodology set forth in Zoning Resolution §77-22, the Congregation calculated that due to the percentage of the lot in an R10A district and the percentage of the lot in an R8B district, the averaged permissible FAR is 8.36. This FAR results in 144,511 square feet of zoning floor area [R. 10 (§ 115), 5131].

192. However, the Congregation represented that because of the existing Synagogue and parsonage house, height limits, setback requirements and sliver limitations, the Congregation would be permitted to use only 28,274 square feet to construct an as-of-right development [R. 8 (§ 114)]. In addition, the Congregation represented that the averaged permissible FAR should result in 144,511 square feet of zoning floor area; after development of the proposed building the Zoning Lot would only be built to a floor area of 70,166 square feet and a FAR of 4.36, and that approximately 74,345 square feet of floor area will remain unused [R. 8 (§ 115)].

193. In response, the Opposition asserted that the Congregation's inability to use its development rights is not a hardship under Zoning Resolution §72-21 because: 1) as recognized in Matter of Soc. for Ethical Cult. v. Spatt, 51 N.Y.2d 449 (1980), unlike a private owner, a religious institution does not have a protected property interest in earning a return on its air rights; and 2) there is no fixed entitlement to use air rights contrary to the bulk limitations of a zoning district [R. 8 (§ 116-17)].

194. In response to the Opposition's arguments in this regard, the BSA correctly noted that Spatt concerns the question of whether the landmark designation of a religious property imposes an unconstitutional taking, or an interference with the free exercise of religion, and is inapplicable to a the present case in which a religious institution merely seeks the

same entitlement to develop its property as any other private owner [R. 8 (¶ 118)]. Moreover, the BSA noted that Spatt does not stand for the proposition that a land use regulation may impose a greater burden on a religious institution than on a private owner [R. 8 (¶ 119)]. In fact, in Spatt the Court noted that the Ethical Culture Society, like any similarly situated private owner, retained the right to generate a reasonable return from its property by the transfer of its excess development rights [*Id.*, citing Spatt, 51 N.Y.2d at 455, fn. 1].

195. Thus, the BSA properly concluded that while a “nonprofit organization is not entitled to special deference for a development that is unrelated to its mission, it would be improper to impose a heavier burden on its ability to develop its property than would be imposed on a private owner” [R. 8 (¶ 121)]. Moreover, the BSA properly concluded that “the unique physical conditions of the site, when considered in the aggregate and in light of the Synagogue’s programmatic needs, creates practical difficulties and unnecessary hardships in developing the site in strict compliance with the applicable zoning regulations, thereby meeting the required finding under Z.R. §72-21(a)” [R. 8 (¶ 122)].

Finding (b)

196. Zoning Resolution § 72-21(b) [the “(b) finding”] requires a showing, [t]hat because of such physical conditions there is no reasonable possibility that the development of the zoning lot in strict conformity with the provisions of this Resolution will bring a reasonable return, and that the grant of a variance is therefore necessary to enable the owner to realize a reasonable return from such zoning lot

197. However, the (b) finding explicitly exempts non-profit organizations from this requirement. The section concludes: “[t]his finding shall not be required for the granting of a variance to a non-profit organization.” As a result, the BSA correctly determined that it did not need to address the (b) finding with regard to the requested community facility variances.

Residential Variances

198. As to the residential development, which was not proposed to meet the Congregation's programmatic needs, the BSA properly determined that it was appropriate to grant the requested variances because the site's unique physical conditions resulted in no reasonable possibility that development in strict compliance with applicable zoning requirements would provide a reasonable return [R. 8-10 (§§ 125-148)]. As a preliminary matter, it is important to note that a reasonable return is not simply any sort of profit whatsoever. Rather, the profit margin must be substantial enough to actually spur development.

199. Because the residential development was not proposed to meet the Congregation's programmatic needs, the BSA directed the Congregation to perform a financial feasibility study evaluating the ability of the Congregation to realize a reasonable financial return from an as-of-right residential development on the site, just as it would have required of any for-profit applicant [R. 8 (§§ 125-26)].

200. The Congregation initially submitted a feasibility study from Freeman Frazier [R. 133-61] that analyzed: 1) an as-of-right community facility/residential building within an R8B envelope (the "as-of-right building"); 2) an as-of-right residential building with a 4.0 FAR; 3) the original proposed building; and 4) a lesser variance community facility/residential building [R. 8 (§ 127)].

201. At the November 27, 2007 hearing, the Board questioned why the analysis included the community facility floor area, and asked the Congregation to revise the financial analysis to eliminate the value of the floor area attributable to the community facility from the site value and to evaluate an as-of-right development [R. 9 (§ 128), 1753-56]. In response, the Congregation revised its financial analysis to also include an as-of-right community facility/residential tower building using the modified site value [R. 9 (§ 129), 1968-

2008]. The feasibility study indicated that the as-of-right scenarios, and lesser variance community facility/residential building would not result in a reasonable financial return, and that, of the five scenarios, only the original proposed building would result in a reasonable return [R. 9 (¶ 130), 1968-2008].

202. After this analysis, it was determined that a tower configuration in the R10A portion on the Zoning Lot was contrary to the sliver law and, as a result, the as-of-right community facility/residential tower building used in the feasibility study did not actually represent an as-of-right development [R. 9 (¶ 131)]. In addition, at the February 12, 2008 and April 15, 2008 hearings, the Board questioned the basis for the Congregation's valuation of its development rights and requested that the Congregation recalculate the value of the site using only sales in R8 and R8B districts [R. 9 (¶ 131), 3653-758, 4462-515]. Finally, the Board requested that the Congregation evaluate the feasibility of providing a complying court to the rear above the fifth floor of the original proposed building [R. 9 (¶ 132), 3653-758, 4462-515].

203. In response to these requests, the Congregation revised its feasibility analysis to assess the financial feasibility of: 1) the original proposed building, but with a complying court; 2) an eight-story building with a complying court; and 3) a seven-story building with a penthouse, and a complying court, using the revised site value arrived at based upon R8 and R8B zoning district sales. This revised analysis concluded that, of the three scenarios, only the proposed building was feasible [R. 9 (¶ 133), 3847-77].

204. The Board raised questions as to how the space attributable to the building's rear terraces had been treated in the financial feasibility analysis [R. 9 (¶ 134)]. In response, the Congregation submitted a letter from Freeman Frazier, dated July 8, 2008, stating that the rear terraces on the fifth and sixth floors had not originally been considered as accessible open spaces and were, therefore, not included in the sales price as sellable terrace areas of the

appertaining units. However, Freeman Frazier also provided an alternative analysis considering the rear terraces as sellable outdoor terrace area and revised the sales prices of the two units accordingly [R. 9 (¶ 135), 5171-81].

205. The Board also asked the Congregation to explain the calculation of the ratio of sellable floor area gross square footage (the “efficiency ratio”) for each of the following scenarios: the proposed building, the eight-story building, the seven-story building, and the as-of-right building [R. 9 (¶ 136)].

206. In its July 8, 2008 submission, Freeman Frazier provided a chart identifying the efficiency ratios for each respective scenario, and explained that the architects had calculated the sellable area for each by determining the overall area of the building, and then subtracting the exterior walls, the lobby, the elevator core and stairs, hallways, elevator overrun, and terraces from each respective scenario [R. 9 (¶ 137), 5171-81]. Freeman Frazier also submitted a revised analysis of the as-of-right building using the revised estimated value of the property which showed that the revised as-of-right alternative would result in a substantial loss of return [R. 9 (¶ 138), 5171-81].

207. In response to the Congregation’s feasibility analysis, the Opposition questioned: 1) the use of comparable sales prices based on property values established for the period of mid-2006 to mid-2007, rather than more recent comparable sales prices; 2) the adjustments made by the applicant to those sales prices; 3) the choice of methodology used by the Congregation, which calculated the financial return based on profits, contending that it should have been based instead on the projected return on equity, and further contended that the applicant’s treatment of the property acquisition costs distorted the analysis; and 4) the omission of the income from the Beit Rabban school from the feasibility study [R. 9-10 (¶¶ 139, 141, 145)].

208. The Congregation responded to each of the Opposition's challenges. With respect to the choice of comparable sale prices and the adjustments made thereto, the Congregation explained that: 1) in order to allow for comparison of earlier to later analyses, it is BSA practice to establish sales comparables from the initial feasibility analysis to serve as the baseline, and then to adjust those sales prices in subsequent revisions to reflect intervening changes in the market; and 2) the sales prices indicated for units on higher floors reflected the premium price units generated by such units compared to the average sales price for comparable units on lower floors [R. 9 (¶ 140)].

209. With respect to the method used to calculate the reasonable financial return, the Congregation stated that it used a return on profit model which considered the profit or loss from net sales proceeds less the total project development cost on an unleveraged basis, rather than evaluating the project's return on equity on a leveraged basis [R. 9 (¶ 142)]. In support, the Congregation explained that a return on equity methodology is characteristically used for income producing residential or commercial rental projects, whereas the calculation of a rate of return based on profits is typically used on an unleveraged basis for condominium or home sale analyses and would therefore be more appropriate for a residential project, such as that proposed by the subject application [R. 9-10 (¶ 143)]. Indeed, the BSA noted in its Resolution that a return on profit model which evaluates profit or loss on an unleveraged basis is the customary model used to evaluate the feasibility of market-rate residential condominium developments [R. 10 (¶ 144)].

210. With respect to the income from the Beit Rabban school, contrary to Petitioners' allegation, the Congregation explained that it had in fact provided the BSA with the projected market rent for a community facility use, and that the cost of development far exceeded the potential rental income from the community facility portion of the development [R. 10 (¶ 146)]. Moreover, the Board specifically requested that costs, value and revenue attributable to

the community facility be eliminated from the financial feasibility analysis to allow a clearer description of the feasibility of the proposed residential development, and of lesser variance and as-of-right alternatives.

211. Finally, in addition to reasserting arguments alleged by the Opposition during the BSA's review, Petitioners argue that the BSA improperly concluded that the Congregation satisfied the (b) finding with respect to the residential variance because the BSA improperly failed to comply with its written guidelines, i.e., BSA's Detailed Instructions For Completing BZ Application Item M(5), since it did not require the Congregation to "state the amount of equity invested [or] the return on equity." Petition ¶ 57. Petitioners are incorrect. As set forth above, the "return on equity methodology is characteristically used for income producing residential or commercial rental projects, whereas the calculation of a rate of return based on profits is typically used on an unleveraged basis for condominium or home sale analyses and would therefore be more appropriate for a residential project, such as that proposed by the subject application" [R. 9-10 (¶ 143)]. "[A] return on profit model which evaluates profit or loss on an unleveraged basis is the customary model used to evaluate the feasibility of market-rate residential condominium developments" [R. 10 (¶ 144)]. Regardless, there is no requirement for an applicant to submit a return on equity analysis. Indeed, contrary to Petitioners' suggestion, BSA's Detailed Instructions For Completing BZ Application Item M(5) does not set forth absolute requirements. Rather, it sets forth general guidelines for financial submissions. It provides,

[g]enerally, for cooperative or condominium development proposals, the following information is required: market value of the property, acquisition costs and date of acquisition; hard and soft costs (if applicable); total development costs; construction/rehabilitation financing (if applicable); equity; breakdown of projected sellout by square footage, floor and unit mix; sales/marketing expenses; net sellout value; net profit (net sellout value less total development costs); and percentage return on equity (net profit divided by equity).

Thus, there was no requirement to submit the information and Petitioners' argument fails.

212. Additionally, Petitioners argue that that the BSA improperly granted the Congregation variances to develop five market-rate residential condominium units "solely on the ground that the use will yield a higher return than permitted by the zoning regulations." Petition at ¶ 48. Petitioners are incorrect. As set forth herein, and reflected by the Record, BSA granted the Congregation's variance application because the Congregation complied with each of the five necessary findings. That the variances will permit the Congregation to develop five market-rate residential condominium units so as to generate more revenue than could be realized from an as-of-right development is permitted under Zoning Resolution § 72-21. Indeed, in order to obtain a variance, an applicant must establish that the variance is needed to enable the property owner to earn a reasonable return. Zoning Resolution § 72-21(b). Here, as detailed above, the Congregation established that due to the site's unique physical conditions, it could not develop the site in strict compliance with applicable zoning requirements and earn a reasonable return. Accordingly, Petitioners' argument fails.

Finding (c)

213. The Record also supports the finding that the issuance of the variance would not "alter the essential character of the neighborhood or district in which the zoning lot is located," "impair the appropriate use or development of adjacent property," or be "detriment[al] to the public welfare" [the "(c) finding"]. Zoning Resolution §72-21(c).

Community Facility Variances

214. With regard to the community facility variances (i.e. the lot coverage and rear yard variances), the BSA properly concluded that the proposed rear yard, and lot coverage variances will not negatively affect the character of the neighborhood or adjacent uses [R. 10-11 (¶ 151- 169)]. As set forth in its Resolution, to reach this conclusion, the BSA conducted an

environmental review of the proposed development, and found that it would not have significant adverse impacts on the surrounding neighborhood [R. 10 (¶ 155)].¹⁶

215. In reaching its conclusion, the BSA properly considered, and rejected, arguments raised by the Opposition with respect to the anticipated impact from the proposed variances [R. 10-11 (¶¶ 156-69)]. Specifically, during the course of the proceedings before the BSA, the Opposition contended that the expanded toddler program and additional 22 to 30 life cycle events and weddings anticipated to be held in the multi-purpose room of the lower cellar of the proposed community facility would produce significant adverse traffic, solid waste and noise impacts [R. 10 (¶ 156)]. However, the Opposition presented no evidence to the Board supporting these alleged negative impacts [R. 11 (¶ 168)]. Notwithstanding the lack of evidence presented by the Opposition, the BSA considered the arguments raised by the Opposition, and correctly determined they lacked merit.

216. With respect to the expanded toddler program, the BSA noted in its Resolution that any additional traffic and noise created by expanding the toddler program from 20 children to 60 children daily falls below the threshold for potential environmental impacts set forth in the CEQR statute because the expansion is not expected to result in an additional 200 transit trips during peak hours [R. 10 (¶ 157)]. See also, March 11, 2008 Letter from AKRF Environmental Planning Consultants [R. 3878-83] discussing CEQR requirements as well as Sections O, P and R of the CEQR Technical Manual available online at <http://www.nyc.gov/html/oec/html/ceqr/ceqpub.shtml>.

¹⁶ It should be noted that the proposed waivers would allow the community facility to encroach into the rear yard by only 10 feet (there will still be a 20 foot rear yard). Moreover, the effect of the encroachment into the rear yard will be partially offset by the depths of the yards of the adjacent buildings to its rear [R. 13].

217. With respect to the use of the multi-purpose room in the lower cellar for life cycle events and weddings, the BSA noted that the sub-cellar multi-purpose room represents an as-of-right use, and that the requested rear yard and lot coverage variances are requested to meet the Congregation's need for additional classroom space [R. 10 (§ 158)]. Thus, any complaints about the use of the multi-purpose room do not factor into the BSA's consideration of the Congregation's variance application.

218. In any event, in response to the substance of the Opposition's concerns regarding traffic impacts, the Congregation explained: 1) the life cycle events will have no impact on traffic because they are held on the Sabbath and, as Congregation Shearith Israel is an Orthodox Synagogue, members and guests would not drive or ride to these events in motor vehicles; 2) significant traffic impacts are not expected from the increased number of weddings because they are generally held on weekends during off-peak periods when traffic is typically lighter; and 3) significant traffic impacts are not expected from the expanded toddler program because it is not expected to result in a substantial number of new vehicle trips during peak hours [R. 10 (§§ 159-161)].

219. Similarly, the Congregation explained the proposed community facility use would not have an adverse impact on solid waste collection because: 1) the EAS analyzed the impact of increased solid waste and concluded that the amount of projected additional solid waste represented a small amount, relative to the amount of solid waste collected weekly on a given route by the Department of Sanitation, and would not affect the City's ability to provide trash collection services; and 2) trash from the multi-purpose room events will be stored within a refrigerated area within the proposed building and, if necessary, will be removed by a private carter on the morning following each event [R. 10-11 (§ 162-65)].

220. With respect to noise, as the multi-purpose room is proposed for the sub-cellar of the proposed building, even at maximum capacity (360 persons), it is not anticipated to cause significant noise impacts [R. 11 (§ 166)].

221. As correctly stated by the BSA in its Resolution, a religious institution's application is entitled to deference unless significant adverse effects upon the health, safety or welfare of the community are documented [R. 11 (§ 167), citing, Westchester Reform Temple, supra and Jewish Recons. Syn. of No. Shore, supra]. Here, the Opposition did not document any potential adverse effects that would result from granting the requested variances [R. 11 (§ 168)], nor were any ascertained by the BSA. Consequently, the BSA properly concluded that the requested community facility variances will not have negative impacts on the neighborhood or adjacent uses.

Residential Variances

222. The BSA also properly concluded that proposed variances to height and setback permitting the residential use will not negatively affect the character of the neighborhood, nor affect adjacent uses.

223. As detailed above, the height and setback variances requested by the Congregation would result in a building that rises to a height of approximately 94'-10" along West 70th Street before setting back by 12'-0" and continuing to a total height of 105'-10". A compliant building in an R9B zone would have a maximum height of 60'-0" before being required to set back 15'-0" and could rise to a total height of 75'-0". In addition, the requested variances would result in a rear setback of 6'-8" instead of the required 10'-0" [R. 11 (§§ 171-74)].

224. Because the building is located in a landmarked district, the Congregation was required to obtain approval for its proposed project from the Landmarks Preservation

Commission. See New York City Administrative Code (“Administrative Code”) § 25-307. The result of that process was the Landmarks Preservation Commission’s issuance of a Certificate of Appropriateness dated March 14, 2006 approving the design for the proposed building [R. 11 (¶ 177), 350-2].

225. Contrary to arguments advanced by the Opposition during the course of the proceedings before the BSA, the BSA correctly determined that the proposed height and setback of the building is compatible with neighborhood character. In this regard, the bulk of the proposed building is consistent with the bulk of neighboring buildings. Specifically, the subject site is flanked by a nine-story building at 18 West 70th Street which has approximately the same base height as the proposed building and no setback. That building also has a FAR of 7.23 while the proposed building will have a FAR of 4.36 [R. 8 (¶ 115)].

226. Moreover, the bulk of the proposed building is less than that of the buildings immediately to its north and south. The building located at 101 Central Park West, directly to the north of the proposed building has a height of 15 stories, and a FAR of 12.92, while the building located directly to the south of the proposed building (i.e. at 91 Central Park West) has a height of 13 stories and a FAR of 13.03 [R. 11 (¶¶ 176, 180-81)].

227. Similarly, the BSA properly concluded that the Opposition’s assertion that the proposed building disrupts the mid-block character of West 70th Street, and thereby diminishes the visual distraction between the low-rise mid-block area, and the higher scale along Central Park West missed the mark [R. 11 (¶ 182)]. Indeed, the Congregation submitted a streetscape of West 70th Street indicating that the street wall of the proposed building matches that of the adjacent building at 18 West 70th Street, and that, as a result, the proposed building would not disrupt midblock character [R. 11 (¶ 183), 2022].

228. The BSA also properly rejected the Opposition's argument that approval of the requested height waiver would create a precedent for the construction of more mid-block high-rise buildings because an analysis submitted by the Congregation in response to this assertion found that none of the potential development sites identified by the Opposition share the same potential for mid-block development as the subject site [R. 11 (¶¶ 184-86), 1910-13].

229. Next, with respect to light and air, the BSA properly addressed the Opposition's argument that the proposed building will significantly diminish the ability of adjacent buildings to access light and air. Indeed, the BSA was quite concerned with the issue of the lot line windows at the November 27, 2007 hearing, and specifically asked the Congregation to attempt to figure out whether there are any apartments that have their only source of air through the lot line windows [R. 1807-08]. That discussion was continued at the February 12, 2008 hearing [R. 3655-63].

230. Specifically, the Opposition asserted that: 1) unlike an as-of-right building, because the proposed building abuts the easterly wall and court of the building located at 18 West 70th Street it will eliminate natural light and views from seven eastern facing apartments; and 2) the proposed building will cut off natural light to apartments in the building located at 91 Central Park West, and diminish light to apartments in the rear of the building located at 9 West 69th Street which will result in reducing the market values for the affected apartments [R. 11-12 (¶¶ 187-89)].

231. In response, the BSA noted that the Congregation correctly explained that as to the lot-line windows at 18 West 70th Street, the Opposition's arguments are of no moment because lot line windows cannot be used to satisfy light and air requirements.¹⁷ As a result,

¹⁷ Lot line windows are not protected and, therefore, an occupant takes a risk in occupying an apartment with one because developers do not have a duty to ensure that lot line windows of adjoining buildings will not be blocked. Lot line windows are not "illegal," per se, but they are

rooms which depend solely on lot line windows for light and air were necessarily created illegally and the occupants lack a legally protected right to their maintenance [R. 12 (§ 190)]. Likewise, the Congregation correctly explained that a property owner has no protected right in a view [R. 12 (§ 191)].

232. However, notwithstanding these arguments, the BSA nonetheless directed the Congregation to provide a fully compliant outer court to the sixth through eighth floors of the building, thereby retaining three more lot line windows than originally proposed [R. 12 (§§192-93)]. The BSA directed the Congregation to do so, not because the Congregation had a legal obligation to avoid blocking adjoining lot line windows but, rather, as a compromise to lessen the impact of the project.

233. Finally, the BSA properly considered and rejected the Opposition's assertion that the proposed building will cast shadows on the midblock of West 70th Street [R. 12 (§ 194)].

234. As explained in the BSA's Resolution, CEQR regulations provide that shadows on streets and sidewalks or on other buildings are not considered significant under CEQR. Rather, an adverse shadow impact is only considered to occur when the shadow from a proposed project falls upon a publicly accessible open space, a historic landscape, or other historic resource, if the features that make the resource significant depend on sunlight, or if the shadow falls on an important natural feature and adversely affects its uses or threatens the survival of important vegetation. Here, however, a submission by the Congregation states that no publicly accessible open space or historic resources are located in the mid-block area of West

not a legal source of light and air and the DOB will not approve floor plans that show that the only source of light and air to a room is a lot line window. In most instances, if the only source of light and air to a room were a lot line window, that room would have been created illegally.

70th Street. As a result, any incremental shadows in this area would not constitute a significant impact on the surrounding community [R. 12 (§§ 195-196)].

235. Moreover, the Congregation conducted a shadow study over the course of a full year and determined that the proposed building casts few incremental shadows, and that those cast are insignificant in size [R. 12 (§ 197), 372-81, 4624-4643]. As required by CEQR guidelines, the Congregation considered the effects of incremental shadows for four representative days, December 21, March 21, May 6, and June 21. *Id.* In addition, the Congregation's EAS analyzed the potential shadow impacts on publicly accessible open space and historic resources and found that no significant impacts would occur [R. 12 (§ 198)]. Specifically, the shadow study of the EAS found that the building would cast a small incremental shadow on Central Park in the late afternoon in the spring and summer that would fall onto a grassy area and path where no benches or other recreational equipment are present [R. 12 (§ 199)].

236. As a result the Board correctly stated as follows in its Resolution:

WHEREAS, based upon the above, the Board finds that neither the proposed community facility use, nor the proposed residential use, will alter the essential character of the surrounding neighborhood or impair the use or development of adjacent properties, or be detrimental to the public welfare [R. 12 (§ 200)].

Finding (d)

237. Zoning Resolution §72-21(d) [the "(d) finding"] requires a showing that, the practical difficulties or unnecessary hardship claimed as a ground for a variance have not been created by the owner or by a predecessor in title; however, where all other required findings are made, the purchase of a *zoning lot* subject to the restrictions sought to be varied shall not itself constitute a self-created hardship.

238. The Record before the BSA demonstrated that the hardship in developing the Zoning Lot with a complying building was not created by the Congregation, but originated

from the landmarking of the Synagogue and the 1984 rezoning of the site. Specifically, the conditions that create an unnecessary hardship in complying with zoning requirements are: 1) the existence and dominance of a landmarked Synagogue on the Zoning Lot; 2) the site's location on a Zoning Lot that is divided by a district boundary; and 3) the limitations on development imposed by the site's contextual zoning district [R. 12 (§§ 203-04)].

239. As a result, the BSA properly concluded that the Congregation satisfied the (d) finding because the hardship was not created by the owner or a predecessor in title [R. 12 (§ 205)].

Finding (e)

240. To support the grant of a variance, Zoning Resolution §72-21(e) [the "(e) finding"] requires that the evidence establish that the variance granted was the minimum necessary to afford relief from the hardship claimed by the applicant. The Record before the BSA demonstrates that the variance, as granted, is the minimum variance necessary to afford the Congregation relief from the development hardships detailed above.

241. As a preliminary matter, it should be noted that in response to concerns about access to light and air raised by residents of buildings adjacent to the proposed development, the BSA directed the Congregation to amend its initial proposal to provide a fully compliant outer court to the sixth through eighth floors of the building, thereby retaining access to light and air for three additional lot line windows [R. 12-13 (§§ 207-09)]. The inclusion of the compliant outer court reduced the floor plates of the sixth, seventh and eighth floors of the building by approximately 556 square feet and reduced the floor plate of the ninth floor penthouse by approximately 58 square feet, for an overall reduction in the variance of the rear yard setback of 25 percent [R. 13 (§ 209)].

242. Moreover, the Record before the BSA establishes that lesser variance scenarios are not economically feasible for the Congregation. In this regard, during the course of its review, the BSA directed the Congregation to assess the financial feasibility of several lesser variance scenarios. The results of this analysis established that none of the alternative lesser variance scenarios yielded a reasonable financial return [R. 13 (¶ 210-11)].

243. During the BSA's review of the Congregation's application, those opposed to the BSA's issuance of the variance argued that the minimum variance necessary to afford relief to the Synagogue was in fact no variance at all because the existing community house could be developed into a smaller as-of-right mixed-use community facility/residential building that would achieve its programmatic mission, improve the circulation of its worship space and produce some residential units [R. 13 (¶ 212)].

244. In response to this assertion, the BSA concluded that "the Synagogue has fully established its programmatic need for the proposed building and the nexus of the proposed uses within its religious mission" [R. 13 (¶ 213)]. Moreover, in accordance with the decisions in Westchester Ref. Temple, supra, Islamic Soc. of Westchester, supra, and Jewish Recons. Synagogue of No. Shore, supra, zoning boards must accommodate proposals by religious and educational institutions for projects in furtherance of their mission, unless the proposed project is shown to have significant and measurable detrimental impacts on surrounding residents. Here, the BSA properly concluded that "the Opposition has not established such impacts" [R. 13 (¶¶ 214-15)].

245. After considering the Congregation's submissions and the Opposition's arguments against the variance, the BSA concluded that the requested variance was in fact the minimum necessary. In this regard, the BSA stated in its Resolution:

WHEREAS, the Board finds that the requested lot coverage and rear yard waivers are the minimum necessary to allow the applicant to fulfill its programmatic needs and that the front setback, rear setback, base height and building height waivers are the minimum necessary to allow it to achieve a reasonable financial return [R. 13 (§ 217)].

246. Petitioners, in an effort to challenge BSA's findings, argue that the Congregation failed to satisfy Zoning Resolution §72-21(e) because the Congregation could have reduced the number of variances needed by eliminating the residential tower, which it argues is was "not required to meet CSI's programmatic needs." Petition at ¶¶72-73. Petitioners' argument does not merit serious consideration. Petitioners essentially argue that, in order to ensure the minimum necessary variances, the Congregation should only be permitted to seek variances for facilities that advance its programmatic needs. This runs contrary to law. There is no requirement that a non-for-profit organization only seek variances to advance its programmatic needs. By asking the Court to impose this requirement, Petitioners seek to have the Court hold the Congregation to a different standard than all other BSA variance applicants. Such is impermissible under an Article 78 review standard.

247. In conclusion, the Record amply supports the BSA's granting of a variance. All of the criteria set forth in Zoning Resolution §72-21 have been met and the BSA's findings are supported by substantial evidence in the Record as to each of the five necessary findings. Indeed, the BSA made specific findings with regard to each of the Zoning Resolution §72-21 criteria.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE

248. Petitioners argue that the BSA improperly considered the Congregation's variance application because the Congregation did not exhaust its administrative remedies prior to applying to BSA for a variance. Specifically, Petitioners argue that the Congregation was

required to apply to the Landmarks Preservation Commission for a Zoning Resolution §74-711 special permit before it could apply to the BSA for a variance. Petitioners are incorrect.


249. First, Petitioners misapply the law surrounding exhaustion of administrative remedies. Under the theory of exhaustion, a party is required to exhaust their available administrative remedies before seeking relief from the Courts. Since BSA is not a Court, but rather an administrative agency itself, the law is inapplicable. Second, there is no legal requirement that a party seek a Zoning Resolution §74-711 special permit before seeking a variance from BSA. Rather, a BSA variance and Landmarks Preservation Commission special permit are two separate forms of administrative remedies available to parties. A party may, at its choice, seek a Zoning Resolution §74-711 special permit from Landmarks Preservation Commission, or seek a variance from BSA pursuant to Zoning Resolution §72-21(a). The only pre-requisite the Congregation had to satisfy in order to seek a variance was to apply for, and obtain a Certificate of Appropriateness from the Landmarks Preservation Commission. See Administrative Code §25-307. Here, the Congregation obtained the requisite Certificate of Appropriateness [R. 350]. Thus, Petitioners' argument fails.

WHEREFORE, respondents BSA, Srinivasan and Collins, respectfully request that this Court issue an Order dismissing the Petition and upholding the BSA's determination granting the requested variance to the applicant and co-respondent, Congregation Shearith Israel.

Dated: New York, New York
May 27, 2009

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<p>SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK</p>	<p>LANDMARK WEST! INC., 103 CENTRAL PARK WEST CORPORATION, 18 OWNERS CORP., 91 CENTRAL PARK WEST CORPORATION and THOMAS HANSEN</p> <p style="text-align: center;">- against -</p> <p style="text-align: right;">Plaintiffs,</p> <p>CITY OF NEW YORK BOARD OF STANDARDS AND APPEALS, NEW YORK CITY PLANNING COMMISSION, HON. ANDREW CUOMO, as Attorney General of the State of New York, and CONGREGATION SHEARITH ISRAEL, also described as the Trustees of Congregation Shearith Israel,</p> <p style="text-align: right;">Defendants.</p>
<p style="text-align: center;">VERIFIED ANSWER</p>	<p>MICHAEL A. CARDOZO <i>Corporation Counsel of the City of New York Attorney for City Respondents 100 Church Street New York, N.Y. 10007</i></p> <p><i>Of Counsel: Christina L. Hoggan Tel: (212) 788-0461 NYCLIS No.</i></p>
<p><i>Due and timely service is hereby admitted.</i></p> <p>New York, N.Y., 200 . . .</p> <p>.....<i>Esq.</i></p> <p><i>Attorney for</i></p>	