The Times Square At A Glance

What is The Times Square?
- A 652 unit supportive housing facility for formerly homeless and low income adults, elderly, mentally ill, and persons with HIV/AIDS.
- Ground floor commercial space rented to three retail operations that support job training and hiring programs.

Who Made the Submission?
- Common Ground Community HDFC, Inc./T.S. Hotel Limited Partnership.

Major Goals of The Times Square
- To restore an historic but dilapidated hotel without displacing 200+ residents;
- To “address homelessness and joblessness through the creation of innovative programs designed to promote stability and independence;”
- To provide decent, permanent housing for low income adults, people with mental and physical disabilities, or AIDS;
- To convert a building that was a “trouble spot” on an already difficult block to one that supports and promotes the renewal of Times Square;
- To provide a model for successful, large scale single room occupancy (SRO) hotels in an urban context.

Major Accomplishments of The Times Square
- Completion of a high quality restoration of the hotel, preserving and restoring original architectural features;
- Providing 652 units of secure and supportive permanent housing;
- Providing a wide range of social services to maintain the independence of the residents;
Inclusion of an economic development program, which provides training and placement of residents in jobs in building operations, the retail shops located in the facility, and other corporate settings;

Demonstration of the feasibility of large scale SROs, affordable housing, and delivery of high quality social services and economic development programs in a cost-effective manner.

**Reasons for Including The Times Square as a Finalist**

- It provides housing for a population that might otherwise be displaced by high rent investments in the area.
- Common Ground looked closely at internal design issues and paid attention to user needs.
- The facility demonstrates good contextual design through the renovation of an historic structure to provide an attractive living environment and enhance streetscape continuity.

**Selection Committee Questions and Concerns for Site Visit**

- What is the population in the building and how does it work? Do people get along or are there conflicts and antagonisms?
- What sort of changes do people living in the building experience in their own life cycles (e.g., how many move “up” and out to other permanent housing; how many drift back to the streets)?
- What are the social services offered in the building? To what level are they utilized (number of residents, content, quality, contact hours)? Are services adequate? How are they funded and how stable is the funding (is it endowed or capitalized)?
- What was the design process? Were the residents involved in the design? Was anyone involved who was sensitive to or knowledgeable about this group’s needs?
- What is the quality of the design and of materials?
- Has any follow-up been done on how design relates to resident satisfaction?
- What is the organization for managing the building? Is there self-management? Are residents involved? Are maintenance activities and budgets adequate?
- How do neighbors view the project (shop owners, property owners and developers)?
- Does the project have any relationship to the major renewal of the Times Square neighborhood?

**Final Selection Committee Comments**

- The Committee felt that The Times Square demonstrated high standards of historic renovation, while providing exceptionally high quality affordable housing.
- The Times Square used an “entrepreneurial approach” to “create an effective instrument” to address the serious unmet needs of this population.
- The Times Square provides a model for other facilities and other cities in terms of the scale of the project, the mix of population, and the services involved.

**Project Description**

**Project Chronology**

**May, 1990** Rosanne Haggerty begins exploring a supportive housing concept for The Times Square with service providers, advocates and not-for-profit developers.

**June, 1990** 43rd St. Development Corporation, holder of first mortgage, assumes control of The Times Square Hotel when there are no bidders at the bankruptcy auction of its property, and begins to work with Haggerty to explore supportive housing plans.
Summer, 1990  Haggerty and team meet with city agencies, community representatives, and local business people to create and refine proposal. Final plan is circulated in September.
Fall, 1990  Plan is reviewed and modified in further meetings with city and community groups. Common Ground incorporates and applies for tax exempt status.
November, 1990  City conditionally approves $28 million SRO development loan.
December, 1990  Community Boards overwhelmingly vote in favor of Common Ground proposal (rejecting private developer’s bid to create tourist hotel). Low income tax credit allocation obtained.
January, 1991  Common Ground plan approved by Mayor Dinkins and development loan is authorized.
March, 1991  Common Ground closes on acquisition of The Times Square Hotel.
Spring, 1991 102 tenants are relocated from east to west side of building for renovation. Some rooms are cosmetically upgraded to make relocation possible. Common Ground holds discussions with tenants on service delivery. First construction bids come in.
Winter, 1992  Unions demand use of union workers and wages, and begin to picket construction site (resolved by National Labor Relations Board and courts in March).
Spring, 1992  Begin tenant employment program, hiring tenants for desk, security, maintenance, clerical jobs.
April, 1992  Common Ground decides to pursue tax credits for historic restoration.
September, 1992  Begin marketing and intake for new tenants.

February, 1993  East side construction completed and first tenants move in. Begin relocating original tenants to newly rehabilitated rooms (completed in May).
May, 1993  Phase I (east side) fully rented, construction on west side (Phase II) begins. Social service programs intensified to integrate new and original tenants.
April, 1994  Ben & Jerry’s opens in ground floor retail space.
May, 1994  Phase II completed, some original tenants moved back to west side. Fully occupied by June.
August, 1994  New 15th floor dining and kitchen completed, mezzanine and lobby refurbishing finished.

Key Participants  (persons interviewed are indicated by an asterisk *)
Rosanne Haggerty,* Executive Director, Common Ground
Tony Hannigan,* Executive Director, Center for Urban Community Services
Dennis White,* Metropolitan Life Foundation
Bill Daly,* Mayor’s Office of Midtown Enforcement
Paul Parkhill, Housing Development Director, Common Ground
Jennifer Smith,* Economic Development Assistant, Common Ground
John Weiler,* Economic Development Director, Common Ground
Justine Zinkin, Job Placement Director, Common Ground Tenants
Ed Simmons,* tenant
Antoinette Jones,* tenant
Patricia Cassisa,* tenant
David Deblinger,* tenant
Linda Parish,* tenant

Designers
Elise Quasebarth,* Historic Preservation Consultant
Liz Newman,* Architect, Beyer, Blinder, Belle

City
Fran Reiter,* Former Deputy Mayor
Tim O'Hanlon,* New York City Housing Preservation and Development
David Klasfeld,* Former Chief of Staff, Office of Deputy Mayor, New York City
Jack Goldstein,* Former Chair, Community Board 5

Others
Gretchen Dykstra,* President, Times Square Business Improvement District
Janelle Ferris, Director of Community Services, Times Square Business Improvement District
Rebecca Robertson,* Former President, 42nd St. Development Project
A. O. Sulzberger, Jr.,* Chairman, New York Times
Several hotel managers and store owners in Times Square*

Organization
Two organizations — Common Ground and the Center for Urban Community Services (CUCS) — are responsible for the development and operation of The Times Square. Common Ground, as the developer, is responsible for all building-related operations, including maintenance and security and economic development efforts, such as leasing retail space, and for finding outside job placements for residents. Common Ground has taken as its partner CUCS, which handles all social services, including intake interviews, benefits advocacy, and vocational counseling. The two organizations coordinate well and work together closely. CUCS and Common Ground jointly determine acceptance of new residents. Common Ground looks to CUCS social workers to help with problem tenants, through counseling, substance abuse programs, etc. CUCS helps residents identify vocational goals and possibilities, works with them to get the necessary training and education, and then refers them to Common Ground for job placement. Common Ground’s economic development plan works to create job opportunities through the use of its ground floor retail space, and through relationships with outside employers.

City officials and others with whom we spoke thought that this bifurcation of responsibilities was a critical part of the success of The Times Square model. Gretchen Dykstra, of The Times Square Business Improvement District, feels that CUCS and Common Ground often act as “good cop/bad cop.” Common Ground can take the role of tough but fair building manager, strictly enforcing rules about tenant conduct, even by eviction, while CUCS works with the tenants to help them deal with their problems so that they can maintain their residency.

Common Ground HDFC, Inc. was created by Rosanne Haggerty in order to take advantage of an opportunity to purchase the building and renovate it for its current use. Common Ground’s mission is to:

"address homelessness and joblessness through the creation of innovative programs designed to promote stability and independence for the individuals it serves while strengthening the local community."
(from Common Ground’s Strategic Plan for Year 2000)

CUCS was founded in 1981 as an organization to find placement opportunities for students from the Columbia University School of Social Work, mostly involving homeless projects. It became an independent operation in 1993, headed by Tony Hannigan.
The Times Square is intended as permanent — not transitional — housing. Some residents move on but that is not the focus of the program. Rather it seeks to provide good quality, supportive housing for a mixed population of low income, formerly homeless, seniors, mentally ill, or persons with AIDS. At the outset, Haggerty created a board of directors which included people with specific skills needed to launch Common Ground. The board has since expanded to increase these available skills (law, finance, etc.). In 1996 Common Ground's board completed a strategic planning process to reinforce its mission and focus on redesigning the organization for future needs.

It is a testament to Haggerty’s persuasiveness and the quality of the team she assembled that this difficult project — proposed by an organization that had no track record — was able to win support from community and business leaders, and was awarded the largest SRO loan in the history of New York City.

Leadership
Common Ground, and the structure that created and operates The Times Square, emerged from the vision and energy of Rosanne Haggerty. Part of that vision, however, was in creating the structure and team that is currently in place. “She is different,” said Tim O’Hanlon, of New York’s Housing and Preservation Department. “She is not afraid to hire talented people. Her staff is top of the line.” That also extends to CUCS staff, particularly Tony Hannigan, who is widely recognized as talented and dedicated.

When a strong individual creates a successful operation, there is always the question of how well it will survive when he or she moves on. In this case, Haggerty is already separating herself from day-to-day management, focusing most of her efforts on expanding the model to other sites. A program manager has been hired to oversee daily operations at The Times Square. Common Ground has had trouble finding experienced building managers who understood and could implement its basic philosophy. In response, it has since begun to train its own managers.

The Times Square Model
One city official suggested that The Times Square is a “poster” for an approach to dealing with homelessness and therefore many people were heavily invested in making this work — “a failure there would have been catastrophic.”

The essence of The Times Square model is its use of a holistic program to maximize the independence of a needy population through the use of extensive services with a focus on economic development and the creation of jobs. Common Ground and CUCS try to adapt management and programs to the changing needs of its population instead of forcing residents to adapt to the regulations of service providers.

One of the goals of The Times Square is to show that an operation of its size can work (600+ is much larger than previously funded SROs), and in so doing use its economy of scale to provide more and better services to its population. “The biggest hurdle wasn’t how to get the money to rehabilitate the building…but how to mitigate its scale.” Part of what they needed to overcome was the feeling of many in the field, based on experience and literature going back several decades, that large facility size in and of itself was a detriment to successful
low income housing. The model attempts to mitigate the size of The Times Square in several ways:

- The plan and funding provide for **extensive social services** and staff. The facility is effectively broken down into smaller social units by providing every two floors with a four-person social service team.

- **Social services and property management are kept functionally separate.** Social services are based on a holistic “wellness” model which emphasizes helping tenants develop skills for “independent living and responsible tenancy.” Social services are available for all, but are aimed at special needs tenants. Services include both on-site mental health care (counselors and psychiatrists are on staff) and health services. CUCS and Common Ground use two or three intake interviews to carefully screen applicants and eliminate people with a history of violence or who seem incapable of independent living. People with a history of substance abuse are considered only if they have been drug-free for six months and are in a treatment program.

- **A mix of special needs residents and low income, working class tenants** is meant to help “yield a stable strong community.” Low income but working residents, who need clean, safe affordable housing but not major social services, were included to provide a balanced population and serve as role models for others. There are many people in the theater business, for example, with low paying but steady jobs, who qualify under the provision that salary be at least three times the rent (maximum rent is $495/month). The Times Square proposal called for reserving half of the rooms for low-income working people, with the other half made up of a mix of homeless people with special needs including seniors, mentally ill, and persons with HIV/AIDS. The SRO loan from the department of Housing Preservation and Development comes with a proviso that no more than 130 units be for people earning more than 60% median income and none above 80% median income.

- **Economic development**, with a focus on businesses that provide **jobs and job training** is also an important part of The Times Square plan. Haggerty, who has been described by some as more practical than ideological, is a strong believer in the importance of economic development and job creation as one part of the solution to problems of homelessness and welfare dependency. Part of the attractiveness of The Times Square was the prime location of its ground floor retail spaces on 8th Avenue and on 43rd St. Her proposal called for attracting quality businesses, which could not only generate revenue for the operation but which would, as part of their lease, hire residents as workers. Economic development has included creating a catering business using the 15th floor facilities,
owning the Ben and Jerry's ice cream parlor, and rental of other retail spaces to businesses with provisions for hiring residents. With CUCS, Common Ground also provides extensive job skills training, funded by the retail rents, and in partnership with major corporations.

- Common Ground and CUCS make major efforts in promoting jobs among tenants. They provide training needed for jobs, including job-specific skills, resume writing, and interviewing practice, and they make available fax and phone services to help in the job search. Residents are employed by the organizations in the building (part and full time, ranging from a 4 hour a week job checking vending machines to 40+ hour administrative work), as well by outside companies. Haggerty emphasizes that there are no "make work jobs." Common Ground finds jobs for residents in part by using its good name to promise businesses that they will supply reliable and competent help.

- CUCS landed a grant from Housing and Urban Development to provide transitional medical coverage for workers who are leaving Medicaid but not yet included in employer health care plans.

- The quality of the environment in general, and historic preservation in particular, is another theme of this model. One of Haggerty's goals from the outset was to create a setting (in physical space and building management) that would speak of respect for the residents and set expectations for civil behavior, as demonstrated by the care and restoration that created a beautiful and dignified environment. The setting made a strong impression on one resident who, when she first walked in and saw the wide, sweeping, elegant stairway thought, "I hope they have room for me."

Haggerty sees security as critical for success. People have to feel safe living and working there. There is a security desk in the main lobby, staffed 24 hours a day, and four guards are on duty at all times. Security cameras that feed monitors at the main desk, are in the elevators and on the residential floors. In addition, all visitors must be accompanied by a resident whenever they are in the building.

The Times Square is clearly seen by New York City officials as a model for large scale SROs. The city's high regard is demonstrated not only in the SRO loan, but in its award of more than 200 hard-
to-get Section 8 vouchers. “(Their) success made it easier for us to do this elsewhere,” said Fran Reiter, former Deputy Mayor. She also noted that this project came with some risk. If it had failed it would have been hard for the city to try supportive housing of this scale again. With the strong support of the city, The Times Square model is being replicated by Common Ground at the Prince George Hotel on 28th Street.

**Project Context**

**Times Square History — The District and the Hotel** (much of this history comes from the National Register Inventory Nomination Form).

The intersection of 7th Avenue and Broadway at 42nd St. was known as Long Acre Square when it was the site of William Vanderbilt’s American Horse Exchange and, in the 1890s, “silk hat” brothels serving New York’s upper crust. The area obtained its current name after The New York Times opened its new building on 43rd St. between 7th and Broadway in 1904. The theater district had migrated uptown to this area by World War I. The quality of the neighborhood changed dramatically, however, with the stock market crash of 1929. As legitimate theaters closed, theater owners started showing “grinders” (continuously running, sexually explicit films). In the 1930s peep shows and prostitution increased in the area and more major theaters converted to movie houses. The trend accelerated during World War II when the district became a haven for servicemen on leave in search of prostitutes. New York City tried unsuccessfully to use zoning to reverse the trend in the 1950s. Increasingly, Times Square became home to cheap rooming houses, single room occupancy hotels, and the like. Bill Daly, head of the Mayor’s Times Square Task Force, notes that in the 1970s Times Square was “a hell hole.”

The history of The Times Square Hotel building reflects the growth and changes that the area itself has seen. It was erected as
the Claman Hotel to cater to single men (in response to the expected arrival of returning soldiers), and “was the first hotel erected in the theater district after World War I, inaugurating a significant building boom” (National Register Inventory Nomination Form). It changed management and took the name of The Times Square Hotel in 1923, with one floor reserved for women. The hotel catered to transients, who were mostly tourists and theater goers, and permanent residents, including low wage theater workers and New York Times employees. The Times maintained several rooms for pressmen who had to work weekends. As the district changed, a series of owners reduced investment in upkeep and maintenance, making it harder to attract and keep solid, wage-earning tenants.

At one point in the 1960s it was known as The Times Square Motor Hotel. The building was in the center of an area that became rife with pornography and prostitution. In the early 1970s, The Times Square Hotel became home to the mentally ill and troubled Vietnam War veterans in large numbers and, later, the city began to place welfare recipients there. Efforts by police and case workers were overwhelmed by succeeding waves of social problems.

In 1988 the building was leased to someone who had a reputation for taking welfare payments for housing without providing support or services. The city began to use The Times Square Hotel to house homeless families, even though the rooms were inappropriate for families. Two, three or four adults and children might be crowded into rooms smaller than 300 square feet with no private bath. With children of all ages wandering the halls and reports of toddlers alone in the lobby at 3 am, The Times Square Hotel was seen as a breeding ground for drug sales, teenage prostitution, pedophilia, and crime of all sorts. Building security was virtually nonexistent and fires in rooms necessitated daily visits from the fire department. Problems from The Times Square Hotel spilled out onto the street and it became a liability in an already seedy area. 8th Ave. and 43rd St. was known at that time as the “Minnesota strip” — a center for prostitution and drugs. The Times Square Task Force created a juvenile protection unit to deal with the expanding problem of juvenile prostitution. Just when the task force felt it was starting to get a handle on some of the problems of the area, Daly said, the “crack” epidemic hit, exacerbating drug use and violence.

Common Ground
The Times Square Hotel was bought by Covenant House (known for its work with runaway children) in 1984 as a real estate investment, not with the intention of providing affordable housing. Haggerty had worked for Covenant House in 1982–83 and knew of the building, its latent charm, its tenants, its deterioration, and its possibilities. Covenant House sold it at a loss to the New York International Youth Hostel, which unsuccessfully tried to create a youth hostel there before filing for bankruptcy in 1988. When there were no bidders at auction in June of 1990, Haggerty saw an opportunity to obtain a building that could provide low income housing on a large scale. The New York City Human Resources Administration had taken over building management in 1990, and ownership reverted to the first mortgage holder, the 43rd Street Development Corporation. They had no desire to maintain or run the building and the principal, Arthur Schweibel, agreed to work with Haggerty to explore ideas for creating supportive housing in the building.

In early and mid-1990 the one other serious proposal for the building was from an established developer who had plans to divide it into two parts, each with its own entrance. Half would be a residential hotel and the other half a tourist hotel. Haggerty teamed with CUCS and worked through the summer and into the fall to create the competing proposal.
This team incorporated as Common Ground Community Housing Development Fund, Inc. and spent a great deal of time meeting with community groups, local businesses, and tenants to discuss ideas and formulate plans. On the advice of Borough President Ruth Messinger, a community advisory board was established. Haggerty obtained support and conditional approval from several key players such as The New York Times, local social service and development groups, and city officials, including then-Mayor Dinkins. Haggerty credits her quick acceptance by the city, in part, to her luck in meeting and gaining the support of Paul Crotty, well regarded former Commissioner of the City’s Department of Housing and Urban Development, who became the new organization’s advocate.

A number of people we interviewed noted that Haggerty had to overcome considerable initial skepticism. “I thought she was just another do-gooder,” and we would have to come in and “clean up after her” said Bill Daly. He was impressed, however, when he heard her presentation with its detailed outline of services and dates for implementation (“she gave dates for moving residents and for doing renovation, and they did what they said on schedule”). Some skeptics thought that Times Square needed more business and development, and that it had more than its share of SROs. They were surprised and impressed when The New York Times and developers in the area did not object to the plan (all agree that a Times objection would have left Haggerty’s proposal dead on arrival).

Haggerty won over A. O. Sulzberger, Jr., Chairman of The Times, with her clear, detailed presentation. He noted several reasons for supporting, or at least not actively opposing, her proposal. First, The Times Square Hotel was a problem for his employees, many of whom were uncomfortable walking past it on the block the two institutions share. Second, the facility was so bad that he figured she couldn’t make it any worse (“As a reporter I was never in a building more horrifying. I wanted to throw up from the stench. It was a horror and I was stunned that this was fifty feet from The New York Times.”) If she failed, someone else would have a chance to propose another plan. Lastly, her actions helped support the agenda of Times Square redevelopment, towards which he had been working for several years. He, and the redevelopment plan, had been criticized for concentrating on business development for the area to the exclusion of support for homeless and other disadvantaged groups. Haggerty’s proposal was something he could point to in response to these criticisms.

The planning and discussions culminated at a meeting of Community Board 5. The competing developers presented their plan in what was, we were told, a rather casual manner, suggesting they had not taken the alternative plan seriously. Haggerty followed with a formal and comprehensive presentation and “had an answer for every question,” said Jack Goldstein, who was the Community Board Chair at the time. All involved were impressed by the thoroughness and thoughtfulness of the plan, and the board voted overwhelmingly in support of it. One of Haggerty’s and Hannigan’s strengths in this process was their ability to understand and respond to the fears of local businesses. Gretchen Dykstra commented that they didn’t try to make people feel guilty for not wanting panhandlers in the doorway of their stores. The strong vote for an SRO plan, she noted, was “almost unheard of. This was a heavy lift for Rosanne; she had major developers against her and she prevailed.” Winning support from the Community Board was a precondition for the loan from the city’s Department of Housing Preservation and Development.

Even with adequate financial resources, construction in midtown Manhattan for a new developer can be a challenge, and this project had several unique problems. Immediately after taking ownership, Common Ground and CUCS staff began to hold meetings with the elderly and mentally ill tenants, many of whom
were understandably cynical about landlord promises for improvement. They had to be convinced to move twice, once for three months so their rooms could be cosmetically improved to a tolerable condition during construction, and a second time during the phased construction period. A few tenants opposed Common Ground for other reasons, convinced that a private developer would offer them “buy out” for their units. Haggerty and Hannigan concentrated on listening to tenant concerns and responding where possible with action — even small changes — that gained them a reputation for keeping promises and making repairs on time.

In addition, construction locals were upset because work was not being done with union workers at prevailing union wages. Haggerty notes that Davis-Bacon prevailing wage rules did not apply since her primary funding from New York City, as with all city SRO loans, was made based on non-union rates. She suggests that The Times Square Hotel received the brunt of the union response because of the size of the project, its geographic prominence and high visibility. The building was picketed, ambulances blocked, garbage pickup disrupted, and at one point Haggerty received bomb threats and was stalked. The action stopped when it was declared illegal by courts and the National Labor Relations Board.

Work proceeded on time in two phases. Tenants were moved from the east to the west wing while the former was renovated, and back again while work proceeded on the west wing. The building, with its renovated units in the east wing, was opened 14 months after construction began, in February, 1993. In addition to the original residents, almost 200 new tenants moved in. Common Ground and CUCS ran a series of meetings to help the two groups integrate smoothly. The remaining units were opened 14 months later. Common Ground and CUCS phased in their full staff, working continuously with old and new tenants through this long process.

The Times Square lobby features a grand marble staircase.
phase-in process to bring the building on-line with a minimum of problems.

**Current Status and Impact**

On entering the lobby the casual visitor has few if any reminders of the mixed, and in some cases difficult population being housed there. Much of the former elegance of the building has been restored, and the facility appears to be well maintained by Common Ground staff and the tenants (see “Design and Maintenance”).

The Times Square’s facility operating expenses are covered by rent (including Section 8 subsidies) and the considerable social service efforts are paid for by contracts with city and state social service agencies (mostly through the Department of Mental Health). Profits from retail operations fund the job training programs. 1700 square feet of additional retail space has been renovated and is available for rent (see “financing”).

The facility is full and annual turnover is low — about 16%. Most turnover consists of people who seek bigger apartments, who marry, or who take jobs in other places. The eviction rate is less than 1%. Haggerty estimates that about 5 to 10 residents leave annually for other reasons. Some “bolt” when confronted with nonpayment of rent, and others leave for more structured settings. She also notes that the death rate of tenants is down considerably (about 7 per year at first), largely due to improved medication for the treatment of AIDS.

Common Ground and The Times Square have had a positive impact in three areas — on the lives of residents, on the neighborhood, and on city policy. The original residents are living in far better and safer physical and social conditions and under more watchful care than previously. For new residents it provides safe, affordable housing and an opportunity to live independently and develop improved living skills. Seventy-three residents work for CUCS or Common Ground-owned and run operations (including Ben and Jerry’s), and 80 residents have been placed in outside jobs (including Starbucks) since November, 1995. The average salary for these jobs is $18,500 per year.

SROs are usually seen as being a drawback in a neighborhood, but this one has provided a needed lift. While all of the district is improving now — due to massive city efforts and the influx of substantial development dollars — when the Times Square renovation began in 1991, plans to upgrade the area were in disarray. The Times Square was one of the first successes in the area. Not only has it created a safer and more comfortable feel to that part of 43rd Street, it has become an active partner with The Times Square Business Improvement District and others working to improve the area.

Prior to The Times Square, no facilities of this size had been considered for SRO loans or other support. In addition to having supported The Times Square, the current city administration is actively supporting Common Ground’s next development project. The Times Square has had other policy impacts, as well. For example, they struggled at first to get approval for funding for housing support for their AIDS patients from the Division of AIDS Services, which had previously funded people in institutional settings. Now this agency regularly funds supportive housing settings.
Design and Maintenance

“The Times Square is a Renaissance-inspired fifteen story tan-colored brick building with a two story white limestone base and limestone-colored terra-cotta trim. The 43rd Street elevation is divided into four wings, separated by light courts, and connected by the two-story rusticated limestone base.” One enters through a bronze revolving door and into a vestibule with a terrazzo floor and ornate plaster ceiling. The interior L-shaped lobby has “pink marble walls set on a black marble base, brown terrazzo floor with red and black terrazzo details, and ornate plaster ceiling.” The lobby is two-stories high “with a cast-iron mezzanine balcony lined with a Neoclassic railing...supported on square marble piers,” reached by prominent, curving stairways with bronze railings.

There were several design challenges in renovating The Times Square to serve as supportive housing. Common Ground had to find a way to renovate the building while 30% of the rooms were occupied, reconfigure the floor plan so that all rooms had baths and most had kitchenettes, plan space for social service offices and program rooms, and do all this within the context of restoring and maintaining the historic character of the building. The reconstruction reduced the number of units from 735 to 652, mostly because of expanded room size for the baths.

Rooms range in size from 250 to 350 square feet and resemble the long narrow configuration of college dormitory rooms. While none could be called spacious, they comfortably accommodate single occupants. Eighty percent of the apartments have kitchenettes, a small bed (with a storage drawer underneath), a bath, cable TV and closets or armoires. The typical residential floor is served by three passenger elevators with 50 units on a double loaded corridor. Each floor has central space set aside as a community activity room (used for painting, computers, crafts, etc.). Haggerty disliked the rapid deterioration of carpet.
in other buildings she had seen, so high quality, polished vinyl composition tiles were used in hallways. Metropolitan Life’s facility manager volunteered many hours testing waxes to find the best combination for maintenance.

Elise Quasebarth, the preservation consultant to Common Ground, was impressed that Haggerty saw the importance of the historic character of the building, and was committed to its preservation, given that the building was not a New York City landmark, and therefore not subject to design control regulations.

While Haggerty was always attracted to the architectural character of the building, the level and quality of the restoration and preservation details came to the fore in April 1992 when they decided to apply for historic preservation tax credits, requiring that work be done to U.S. Department of Interior standards.

One of the most difficult arguments came when Common Ground’s plan to put private baths in every room was challenged as a significant variation from the original configuration. Private baths were a critical element of the functional plan for the building’s operation, however, and Common Ground fought hard and won on this point. Common Ground also won permission to extend the mezzanine walkway around the entire second floor, allowing easy access among all offices. Some restoration features were quite expensive, such as the more than $100,000 spent on restoring the special multi-pane casement windows in the mezzanine and second floor.

There was also significant opposition to the construction of catering and dining facilities on the roof, creating a 15th floor. The addition was eventually approved when it was determined that it was not easily visible from most views of the building.

Common Ground and CUCS offices are on the mezzanine floor. CUCS staff have ample office space which is arranged so that teams are together. The basement is currently undergoing a renovation that will add considerable program space. It will include several classrooms, an employee out placement center, a computer center with several dozen donated machines, a music rehearsal space, a photography club dark room, and food pantry storage. They have also leased basement space to a florist for storage.

Residents say that Common Ground is very responsive to their problems and complaints. Most are extremely positive about the facility, and say that it is “heaven” in comparison to most alternatives. Their only significant design complaint is the lack of closet space, something Common Ground has noted and addressed in its
next project. Common Ground recognizes that the upkeep of the facility is critical to its operation and quality of life, and expends considerable funds and energy in maintenance and cleaning, and also in supporting residents to take care of their own apartments.

On the street level there are several thousand square feet of retail space. Starbucks and Ben and Jerry’s franchises occupy the 8th Avenue side. Common Ground owns the ice cream franchise, which was given to them as part of Ben and Jerry’s corporate “partner-shop” program. 1700 square feet of space on 43rd St. is still unoccupied. Common Ground is a choosy landlord which has turned down many offers, preferring to wait for a “quality” business that can hire and train residents and be a stabilizing force on the block.

**Financing**

Common Ground was fortunate in having access to a variety of sources that effectively over-funded acquisition and construction, leaving significant capital to support new initiatives and act as a buffer for any future funding cuts. Operating expenses for the building are covered by rents. The $1.7 million social service budget, through CUUCS, is funded through contracts with the Department of Mental Health, the SRO Support Services Program, and the Division of AIDS Services. This gives the operators of The Times Square the ability to provide a high quantity and quality of social services and facility maintenance. It reduces the risk of sudden demise due to the failure of an annual campaign or catastrophic cuts in social funding, assuring continuity of operations and freeing them to focus on new programs or projects.

The acquisition and construction costs (approximately $36 million) were covered mainly by the largest ever New York City loan for development of permanent SRO housing. The city provided almost $29 million for 30 years, at 1% interest. This loan required Common Ground to apply for Low Income Housing Tax

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### Operating Budget

<table>
<thead>
<tr>
<th>Income</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Income (assumes 2% vac. &amp; 10% uncollectable)</td>
<td>$3,080,000</td>
</tr>
<tr>
<td>DAS support</td>
<td>$128,920</td>
</tr>
<tr>
<td>Other income (vending, cable, storage, etc.)</td>
<td>$221,110</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$3,430,030</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel (payroll &amp; benefits)</td>
<td>$1,437,492</td>
</tr>
<tr>
<td>Security (contracts, fire alarms, etc.)</td>
<td>$197,500</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$151,160</td>
</tr>
<tr>
<td>(housekeeping, maintenance, landscaping, painting, etc.)</td>
<td></td>
</tr>
<tr>
<td>Utilities (gas, electric, water, etc.)</td>
<td>$501,450</td>
</tr>
<tr>
<td>General &amp; Administration (supplies, phone, copier, etc.)</td>
<td>$75,324</td>
</tr>
<tr>
<td>Tenant Services (vending, special programs, meal subsidies)</td>
<td>$83,700</td>
</tr>
<tr>
<td>Professional &amp; Consulting Services (legal, audit, insurance)</td>
<td>$240,060</td>
</tr>
<tr>
<td>Fees (management fee, debt service, reserve, etc.)</td>
<td>$672,942</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$3,359,628</td>
</tr>
</tbody>
</table>

| Capital Expenditures (phone leases, equip., contingency) | $66,388 |
| Surplus                                                   | $4,014 |

Major corporations such as Starbucks and Ben & Jerry’s provide job training opportunities for tenants.
Development Costs

<table>
<thead>
<tr>
<th>Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$9,533,949</td>
</tr>
<tr>
<td>Construction</td>
<td>$16,149,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$2,460,881</td>
</tr>
<tr>
<td>Furnishings</td>
<td>$816,000</td>
</tr>
<tr>
<td>Architect</td>
<td>$997,990</td>
</tr>
<tr>
<td>Fees, insurance, etc.</td>
<td>$1,066,299</td>
</tr>
<tr>
<td>Taxes</td>
<td>$1,046,248</td>
</tr>
<tr>
<td>Bridge Loan Interest</td>
<td>$749,968</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>$32,820,335</strong></td>
</tr>
<tr>
<td>Working Capital</td>
<td>$2,126,084</td>
</tr>
<tr>
<td>Developer's Fee</td>
<td>$1,173,600</td>
</tr>
<tr>
<td><strong>Total Acq./Construct.</strong></td>
<td><strong>$36,120,019</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capitalized Reserve</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating reserve</td>
<td>$9,079,839</td>
</tr>
<tr>
<td>Sponsor operating reserve</td>
<td>$2,973,456</td>
</tr>
<tr>
<td>Social service reserve</td>
<td>$2,973,456</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>$15,026,751</strong></td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td><strong>$51,146,770</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYC HPD SRO Loan Program</td>
<td>$28,850,108</td>
</tr>
<tr>
<td>Tax Credit Equity &amp; Met. Life Bridge Loan</td>
<td>$22,156,662</td>
</tr>
<tr>
<td>Time Square Public</td>
<td>$140,000</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$51,146,770</strong></td>
</tr>
</tbody>
</table>

Credits and later Common Ground also applied for Historic Rehabilitation Tax Credits which, when syndicated and sold at $.80 to the dollar yielded over $22 million of additional capital, providing much of the surplus noted above. The preservation credits resulted in some additional expenses, but most of the preservation requirements were already in the plan.

Rent and profits from retail tenants currently yield about $100,000 per year. These funds are used exclusively for job training programs. “Robin Hood” rates are used for commercial tenants, with rental charges reflecting, in part, the number of resident jobs provided.

Metropolitan Life Foundation provided a bridge loan of $2.5 million which allowed construction of the 15th floor addition, including the kitchen and common space for residents. Street level retail space was renovated with the support of a New York State Urban Development Corporation grant of $234,050. Many other foundations (Bankers Trust, Newman’s Own, Robin Hood, Altman, Tiger, John Merck, Rhodebeck) have provided substantial loans and grants to support economic development programs.

Common Ground maintains that this housing, under $11,000 per person per year, including all social service programs, is cost effective in that it is significantly less than the cost of supporting someone in a homeless shelter, psychiatric hospital or prison.

Current Projects and Future Plans

Common Ground’s current major project is the renovation of the Prince George Hotel, on 28th Street, with 416 rooms of supportive housing. The Prince George Hotel is based on The Times Square model. In the face of some initial opposition to this plan from some local groups and corporations, Common Ground received testimonials and support from its Times Square neighbors and the city. David Klasfeld, of the Deputy Mayor’s Office, effectively told organizations in the Prince George Hotel area that the city fully supported the project and that they could call his office at any time to discuss any problems that might arise.

Common Ground’s recent strategic plan calls for further expansion and directs staff to purchase a third large hotel for supportive housing. It also proposes developing several smaller scale projects.
for people not capable of independent living in supportive housing. The strategic plan emphasizes the need for continued economic development, calling for an increase of job production, as well as business and training programs to provide better work experiences for residents. It suggests Common Ground seek out and identify new economic development and training models in partnership with businesses and entrepreneurs. The plan also notes the need to expand Common Ground's organizational infrastructure to meet the needs of an expanded operation. Working with local community groups and sharing services with other supportive housing organizations could increase services at less cost.

Assessing Project Success

How Well The Times Square is Meeting its Goals

- **To restore a historic hotel without displacing residents.**
  The restoration was completed without displacing residents, met high standards of historic preservation, and provides a high quality, functional setting for residents, staff and programs.

- **To "address homelessness and joblessness through the creation of innovative programs designed to promote stability and independence."**
  Common Ground has had significant success in providing opportunities for job training and placement in real jobs within the organization, in businesses located in the street level shops, and in jobs outside the building.

- **Provide decent, permanent housing for low income adults, people with mental and physical disabilities, or AIDS.**
  A wide mix of people with mental and physical disabilities live harmoniously with low income adults. Support services are sufficient to make it possible for all residents to live independently.

- **To convert a building that was a "trouble spot" on an already difficult block to one that supports and promotes the renewal of Times Square.**
  The Times Square has become a positive force, socially and physically, in the regeneration of Times Square, and is recognized as such by many who were initial opponents to the creation of supportive housing at that site.

- **To provide a model for successful, large-scale single room occupancy hotels in an urban context.**
  The Times Square has become a model for large scale SRO development and operations. It is being copied by Common Ground itself in other developments, and is mentioned as a model by city agencies and observers from other cities.
Response to Selection Committee Questions and Concerns

- What is the population in the building and how does it work? Do people get along or are there conflicts and antagonisms?
The population is very mixed (elderly, low income, mentally ill, HIV/AIDS), but seems to get along well, thanks to a large and attentive staff, and a strong set of social, health, and job-related programs. Problems are identified and dealt with quickly, and residents are aware of rules and expectations for behavior.

- What sort of changes do people living in the building experience in their own life cycles (e.g., how many move “up” and out to permanent housing; how many drift back to the streets)?
This is permanent housing, so for many, especially the mentally ill, this is where they want to be. Some others are moving out as they find jobs that pay well or are in other cities, or as they decide they need more space. Few seem to “drop out back to the street,” and eviction rates are low. The operation seems to be very successful at finding ways for this high risk population to achieve independence through supported living.

- What are the social services offered in the building, to what level are they utilized (number of residents, content, quality, contact hours)? Are services adequate? How are they funded and how stable is the funding (is it endowed or capitalized)?
Social services are heavily utilized and include mental health and medical services, counseling, job training and placement. Services are funded by government programs and funds from retail operations, with the capital reserve as backup.

- What was the design process? Were the residents involved in the design? Was anyone involved who was sensitive to or knowledgeable about this group’s needs?
The facility design was developed from the experience of Common Ground and CUCS staff, in consultation with preservationists, and through discussions with community leaders and residents of the building. The staff involved in this project has a great deal of experience with this population and appears very sensitive to their needs.

- What is the quality of the design and materials?
Design and materials are generally of high quality and well done, with considerable sensitivity to preservation issues and to tenant needs. Insufficient storage is the one common complaint among tenants. The sense of community and quality of the social environment is evidence of the effectiveness of the staff interventions, given that long, double-loaded corridors in a high density building do not naturally lend themselves to a positive social atmosphere.

- Has any follow-up been done on how the design is working? Or on resident satisfaction with it?
Meetings, discussions, focus groups and “gripe sessions” with residents have yielded comments, but there have been no formal post occupancy studies. Based on resident comments, some changes have been made at The Times Square, and modifications to the design, such as increasing closet space, are planned for Prince George.

- What is the organization for managing the building? Is there self-management; are residents involved? Are maintenance activities and budgets adequate?
Common Ground manages the building and is very attentive to custodial and security matters. Maintenance is well funded. Residents are involved through tenant-management association meetings (although it is not clear how much real input these associations have). Many tenants have been hired to do jobs in the building.

- How do neighbors view the project (shop owners, property owners and developers)?
Neighbors with whom we spoke are very positive. The New York
Times, sees it as a major asset to the neighborhood; the manager of a nearby new luxury hotel thinks The Times Square has helped improve the neighborhood; and the owner of a local “mom and pop” store sees the facility as innocuous (in this case being largely invisible is a positive indicator for an SRO). Local community groups are thrilled with their work and support Common Ground in other community efforts.

- Does the project have any relationship to the major renewal of the Times Square neighborhood?
  Yes. It was one of the first successes in the area, and is one of the few social service projects that is part of the redevelopment. The facility houses sanitation staff who work for The Times Square Business Improvement District (BID), and is involved in many BID efforts. Residents have taken jobs with local businesses, and low income workers in the area have applied for residence.

Impact on the Neighborhood
The Times Square has helped improve the quality of life on 8th Avenue and 43rd Street, in an area with one of the worst reputations in New York City. Its management shows concern for the area and for activity on its sidewalk, helping discourage pan-handing and antisocial behaviors on the block. It has gone from being a negative force — a detriment to the block and a place working people were uncomfortable walking past — to a positive force. It provides inexpensive housing for local low income laborers and works closely with the BID and other local organizations with whom Common Ground has many overlapping board members. Common Ground is also using its expertise to help other supportive housing projects in the area, and has contracted to manage another facility.

Quality of the Physical Place
Common Ground was committed to completing a serious restoration of the building even before historic restoration tax credits came into play. The building is attractive and very well maintained, and appears to be treated well by both staff and tenants. The Times Square provides a safe, excellent environment for its residents and tenant businesses.

Values
The Times Square embodies Common Ground’s core values which are to provide “innovative and cost effective ways of addressing homelessness and joblessness,” and to create “strong, supportive communities” that are capable of helping implement programs. Common Ground places a strong emphasis on the use of economic development to provide jobs for its residents, as a tool to improve the clients’ lives, and to increase their capacity for independence.

Leadership
Rosanne Haggerty, with the considerable aid and support of Tony Hannigan, provided most of the vision and tenacity required to get this project off the ground. This was a high-risk effort and not easy to sell to the community. Haggerty is now working to develop increased capacity within the organization so that it can sustain itself, and has separated herself from daily management.

Sustainability
In spite of the strong role Haggerty and Hannigan had in creating the program, the operation does not appear dependent on any one or two individuals. The bifurcated structure, separating building management from social services, allows staff to concentrate on a limited range of specific tasks, while working together to view the bigger picture when necessary. Its funding structure and the significant reserve fund make The Times Square unusually financially stable.
This does not mean that there are no risks for the future of The Times Square. In a building of this size, with this population, the level of programs and staffing needs to remain high. A major and prolonged cut of government programs, like Section 8 vouchers, for example, could deplete their reserve fund.

**Selection Committee Comments**

The Selection Committee, in awarding The Times Square the 1997 Rudy Bruner Award Gold Medal, expressed great admiration for Common Ground’s ability to make this project work on a number of levels. They were appreciative of the way the building was restored, and the care and attention that were given to preservation detail while remaining an SRO. The quality of the lobby restoration, for example, was seen as evidence of respect for the dignity of The Times Square tenants.

The Selection Committee felt that using an entrepreneurial approach to “create an effective instrument” to address the serious unmet need of this population was a remarkable accomplishment, particularly at this scale. The Times Square has had a positive impact on peoples lives and on an important city block.

The Committee did not find any serious flaws in this project. It felt that the Times Square provides a model for other facilities and other cities, in terms of the scale of the project, the mix of population and services involved. They also were impressed by the way its goals were accomplished in a cost-effective and financially sustainable fashion.

**Endnotes**

1. Taken from Common Ground’s Application to the 1997 Rudy Bruner Award
2. Blake, Jennifer, “The Times Square: A Case Study of Supportive Housing,” Metropolitan Life Foundation
3. National Register Inventory Nomination Form, Part 7: Description

**References**


**For more information**

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