

CITY COUNCIL  
CITY OF NEW YORK

-----X

TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS & CONCESSIONS

-----X

August 23, 2010

Start: 01:14pm

Recess: 01:28pm

HELD AT: Council Chambers  
City Hall

B E F O R E:  
STEPHEN LEVIN  
Chairperson

COUNCIL MEMBERS:  
Sara M. Gonzalez  
Peter Koo

## A P P E A R A N C E S

Carol Clark  
Assistant Commissioner  
NYC Housing Preservation and Development

Terry Arroyo  
Director of Land Use  
NYC Housing Preservation and Development

2 CHAIRPERSON LEVIN: Okay, I'm just  
3 going to not hit the gavel. Good afternoon, and  
4 welcome to the Subcommittee hearing of the  
5 Committee on Planning, Dispositions and  
6 Concessions. My name is Stephen Levin, I'm the  
7 Council Member from the 33<sup>rd</sup> District and Chair of  
8 the Subcommittee. Joining me to my right is  
9 Council Member Sara Gonzalez of Brooklyn and  
10 Council Member Peter Koo of Queens. Absent today  
11 are Council Member Inez Dickens of Manhattan, and  
12 Council Member Charles Barron of Brooklyn. Our  
13 thoughts go out to our colleague, Inez Dickens,  
14 she has had some minor injury. But we have four  
15 items on today's agenda. We have pre-considered  
16 Land Use, Cypress Village 2, that is 20115135 HAK  
17 in Brooklyn Community Board District #5, in the  
18 Council district of Council Member Erik Dilan.  
19 It's an application submitted by the New York City  
20 Department of Housing Preservation and Development  
21 for Council approval pursuant to article 16 of the  
22 General Municipal Law for modifications to a  
23 previously approved UDAP located at 371 Van Siclen  
24 Avenue in Council District #37. Testifying today  
25 on this item we have Assistant Commissioner Carol

Clark from HPD ... just ... okay. Ms. Clark.

ASS'T. COMM. CLARK: We've got it?  
 I'm sorry, thank you. I'm joined by Terry Arroyo, who is HPD's Director of Land Use. And as you noted, Mr. Chairman, good afternoon everyone, this item at 371 Van Siclen Avenue is a proposed amendment concerning one vacant city-owned lot located at 371 Van Siclen Avenue in the district of Council Member Dilan. The original project that was approved in December of 2009 consisted of the proposed development of a home ownership opportunity, with new construction of eight residential units under HPD's New Foundations program. Under this proposed amendment, the sponsor, Cypress Hills Local Development Corporation, will construct one building with eight rental units under HPD's low-income rental program. Council Member Dilan has reviewed the project and indicated his support.

CHAIRPERSON LEVIN: Thank you very much, Assistant Commissioner. With regard to the rentals, the AMI that's going to be applying to those rentals, could you fill us in a little bit on that?

2 ASS'T. COMM. CLARK: Sure, it's 60%  
3 of the area median income, which is up to \$47,500  
4 a year for a family of four, what they would earn.

5 CHAIRPERSON LEVIN: And that's for  
6 all eight rentals?

7 ASS'T. COMM. CLARK: That's for all  
8 eight, yes. There are two two-bedroom units and  
9 four three-bedroom and then ... I'm sorry, six ... I'm  
10 sorry, six three-bedroom units. I don't want to  
11 confuse you.

12 CHAIRPERSON LEVIN: That's good.  
13 And so the sponsor being Cypress Hills.

14 ASS'T. COMM. CLARK: That's right,  
15 the Cypress Hills Local Development Corporation.

16 CHAIRPERSON LEVIN: And they're  
17 doing outreach in the community to local media?

18 ASS'T. COMM. CLARK: That's  
19 correct.

20 CHAIRPERSON LEVIN: And have they  
21 commenced doing that yet?

22 ASS'T. COMM. CLARK: They haven't  
23 commenced yet, they're going to wait until ... it's  
24 new construction, until it's close to being  
25 completed, and then the marketing process will

commence.

CHAIRPERSON LEVIN: Great. Okay, do any of my colleagues have any questions on this particular item? Seeing none, the hearing on this item will be closed and we'll move on to pre-considered Land Use #16, that's 20115131 HAX, 1341 Chisholm Street in the Bronx, that is in Community Board District #3 and in the Council district of Helen Foster, 16 is the Council district. Testifying on this item again, Assistant Commissioner Carol Clark from HPD. This is an asset control area application.

ASS'T. COMM. CLARK: That's correct, Mr. Chairman. It consists of a vacant one-family home that's located as you noted at 1341 Chisholm Street, and it's to be developed under that asset control area program, which we call the ACA program. Its intention is to revitalize neighborhoods by bringing vacant homes back into use, while creating affordable home ownership opportunities for low and moderate income families. HPD and the federal Department of Housing and Urban Development worked together on this initiative, and it involves one to four

1  
2 family homes that are acquired by HUD as a result  
3 of mortgage foreclosures. And then they're sold  
4 to a not-for-profit sponsor, Restored Homes HDFC,  
5 which undertakes the rehabilitation and the  
6 subsequent sale to qualified purchasers. So in  
7 collaboration with HPD, Restored Homes oversees  
8 the rehab of the buildings and conducts the  
9 marketing process, and today the reason HPD is  
10 before the Council is seeking approval of a tax  
11 exemption which will enhance the affordability of  
12 the project for the eligible purchaser, who has  
13 been identified. Councilwoman Foster is in strong  
14 support of this project.

15 CHAIRPERSON LEVIN: Thank you,  
16 Commissioner. Is the ... what is the sale price  
17 that will be applied?

18 ASS'T. COMM. CLARK: The sale of  
19 the home is \$250,000 to the purchasers.

20 CHAIRPERSON LEVIN: And in the  
21 marketing there was an AMI cap?

22 ASS'T. COMM. CLARK: Yes, the  
23 marketing, the estimated income of the family to  
24 purchase this home is between ... at basically \$63  
25 to \$91 thousand a year for a family of four.

2 CHAIRPERSON LEVIN: Okay. And as  
3 you indicated, Council Member Foster is in  
4 support.

5 ASS'T. COMM. CLARK: That's  
6 correct.

7 CHAIRPERSON LEVIN: Very good. I  
8 have no further questions. Do any of my  
9 colleagues have any questions on this particular  
10 item? Council Member Peter Koo.

11 COUNCIL MEMBER KOO: You mentioned  
12 a tax exemption for this property?

13 ASS'T. COMM. CLARK: Yes sir.

14 COUNCIL MEMBER KOO: And how long  
15 is the tax exemption?

16 ASS'T. COMM. CLARK: It's for a  
17 full ten-year period. The tax exemption is five-  
18 year full and then five years prorated decreasing  
19 for a total of a ten year period.

20 COUNCIL MEMBER KOO: And after that  
21 ten years, you go back to normal?

22 ASS'T. COMM. CLARK: That's  
23 correct.

24 COUNCIL MEMBER KOO: All right,  
25 thank you.

1  
2 ASS'T. COMM. CLARK: You're  
3 welcome.

4 CHAIRPERSON LEVIN: To follow up on  
5 that, does HPD or Restored Homes have a program or  
6 a commitment to work with those homeowners to make  
7 sure that when in fact the taxes after a ten-year  
8 period do go into effect, that there is a ... that  
9 those homeowners are prepared to be able to pay  
10 those types of taxes?

11 ASS'T. COMM. CLARK: Yes,  
12 absolutely. We have a program that does that, and  
13 we work with Restored Homes to insure that that  
14 takes place.

15 CHAIRPERSON LEVIN: Great, because  
16 we want to make sure that the people are able to  
17 stay after that ten-year exemption is up.

18 ASS'T. COMM. CLARK: Absolutely.

19 CHAIRPERSON LEVIN: Okay, seeing no  
20 other questions on this particular item, the  
21 hearing on this particular item is closed. Next  
22 we have pre-considered Land Use Item non-ULURP  
23 #20115133 HAK, that's 31 Saint Mark's Place in the  
24 33<sup>rd</sup> Council district, which is represented by me.  
25 It is in Community Board District #2 in Brooklyn.

2 This is a rehab and testifying on this item is  
3 Assistant Commissioner Carol Clark.

4 ASS'T. COMM. CLARK: Thank you, Mr.  
5 Chairman and members of the Committee. As you  
6 know, this item at 31 Saint Mark's Place is a  
7 vacant city-owned building, and we're proposing to  
8 dispose it to the Fifth Avenue Committee, so that  
9 it can be developed under HPD's Third Party  
10 Transfer Loan program. What we're proposing to do  
11 is to have this added to an existing cluster that  
12 the Fifth Avenue Committee is already undertaking  
13 in this general neighborhood. They are a  
14 qualified third party transfer transferee in prior  
15 rounds of the program. They're going to  
16 rehabilitate this building, along with the other  
17 two buildings that are involved, and it will  
18 provide, the one at 31 Saint Mark's Place, three  
19 units of rental housing. And Council Member Levin  
20 has reviewed the project, discussed it with the  
21 Fifth Avenue Committee, and indicated his support  
22 to HPD.

23 CHAIRPERSON LEVIN: Thank you. I  
24 do support this particular development. I think  
25 the Fifth Avenue Committee has done a very good

2 job on that block in particular, in stabilizing  
3 what was once a destabilized block. So I do  
4 commend them on their work, I want to recognize  
5 Michelle de la Uz, who is in the audience today,  
6 that's the Executive Director of Fifth Avenue  
7 Committee. And I would indicate my support, and  
8 seeing ... are there any questions from my  
9 colleagues?

10 COUNCIL MEMBER GONZALEZ: I just  
11 want to congratulate you, Council Member Levin,  
12 because I have worked very closely with Fifth  
13 Avenue Committee and they do incredible work, and  
14 I'm grateful that they stepped to the plate to  
15 meet the needs of the community and the city. So  
16 I congratulate you, Michelle, and also you,  
17 Council Member Levin, and of course all the folks  
18 that I hear that worked so hard to make this  
19 happen. Thank you.

20 CHAIRPERSON LEVIN: Thank you,  
21 Council Member Gonzalez. And do you want to just,  
22 Commissioner Clark, address the ... who will be  
23 moving into these units and at what rental cost?

24 ASS'T. COMM. CLARK: Sure, they  
25 will be vacant units and they will be rented at

80% of the area median income, and up to 80%, which is \$63,000 approximately for a family of four.

CHAIRPERSON LEVIN: Great. Well, okay, do any of my colleagues have any other questions on this particular item?

COUNCIL MEMBER KOO: No further questions.

CHAIRPERSON LEVIN: Okay, thank you very much. So the hearing on that item is now closed, we are down to our last item, which is a cluster, also in the district of Council Member Erik Dilan. It's pre-considered non-ULURP #20115134 HAK, that's 315 Jerome Street, 521 Linwood Street, 525-527 Linwood Street, and 535 Linwood in Brooklyn, that's in Community Board District #5, Council district 37, represented by Council Member Erik Dilan, and these are low-income rental. Testifying, to round it out, Assistant Commissioner Carol Clark. Thank you.

ASS'T. COMM. CLARK: Thanks once again. As you noted, these properties located at 315 Jerome Street, 521, 525, 527 and 535 Linwood Street are the proposed amendment of a project

1  
2 that was previously approved in July of 2009. The  
3 original project was proposed to be a condominium,  
4 a home ownership opportunity, with 21 residential  
5 units, and it was to have been developed under  
6 HPD's New Foundations Program. We're before the  
7 Council today seeking an amendment to permit us to  
8 proceed with the 21 units being, as you noted, Mr.  
9 Chairman, a low-income rental program. That is  
10 the substance of the change. Council Member Dilan  
11 has reviewed the project and indicated his  
12 support.

13 CHAIRPERSON LEVIN: Thank you,  
14 Commissioner. The AMI's on these developments  
15 will be?

16 ASS'T. COMM. CLARK: It's similar  
17 to the others, the earlier project that we talked  
18 about, which was Cypress Hills, the first one on  
19 the agenda today, Cypress Hills 1, Cypress Hills 2  
20 is the way the project is known, because it's  
21 being developed by the sponsor, the Cypress Hills  
22 Local Development Corporation. So taken as a  
23 whole, these 21 units and those prior eight units  
24 consist largely of being rented to people who are  
25 earning up to 60% of the area median income, which

1  
2 as you know is \$47,500 a year for a family of  
3 four. However, in this particular project there  
4 are in fact four of the units that are going to be  
5 proposed to be rented at up to 80% of the AMI,  
6 which is approximately \$63,000 for a family of  
7 four.

8 CHAIRPERSON LEVIN: And will any of  
9 these units be set aside for any special needs  
10 populations?

11 ASS'T. COMM. CLARK: No, there  
12 aren't any special needs populations in this, it's  
13 a low-income rental.

14 CHAIRPERSON LEVIN: Do any of my  
15 colleagues have any questions on this final item?  
16 Thank you very much, Commissioner, and without any  
17 other questions I will close the hearing on that  
18 item. I will introduce Carol Shine, Counsel to  
19 the Committee, to call the roll on these items. I  
20 recommend an aye vote on all.

21 COMMITTEE COUNSEL: Chair Levin.

22 CHAIRPERSON LEVIN: Aye.

23 COMMITTEE COUNSEL: Council Member  
24 Gonzalez.

25 COUNCIL MEMBER GONZALEZ: Aye on

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13

all.

COMMITTEE COUNSEL: Council Member

Koo.

COUNCIL MEMBER KOO: Aye on all.

COMMITTEE COUNSEL: By a vote of  
three in the affirmative, none in the negative and  
no abstentions, the aforementioned items are  
approved and referred to the full Committee.

CHAIRPERSON LEVIN: This meeting on  
the Subcommittee of Planning, Dispositions and  
Concessions is hereby closed.

C E R T I F I C A T E

I, Richard A. Ziats, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature \_\_\_\_\_

Date August 25, 2010