

CITY COUNCIL
CITY OF NEW YORK

-----X

TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON PLANNING, DISPOSITIONS AND CONCESSIONS

-----X

June 5, 2012
Start: 1:15 p.m.
Recess: 1:35 p.m.

HELD AT: Council Chambers
City Hall

B E F O R E: STEPHEN T. LEVIN
Chairperson

COUNCIL MEMBERS:
Charles Barron
Inez E. Dickens
Sara M. Gonzalez
Peter A. Koo

A P P E A R A N C E S (CONTINUED)

Carol Clark
Assistant Commissioner
NYC Department of Housing Preservation and Development

Ted Weinstein
Director of Bronx Planning
NYC Department of Housing Preservation and Development

CHAIRPERSON LEVIN: Good afternoon.

Welcome to the Subcommittee on Planning, Dispositions and Concessions. I'm Council Member Steve Levin, chair of the Subcommittee. I'm joined today by members of the Committee: Sara Gonzalez of Brooklyn, Peter Koo of Queens. We're also joined by Council Member Diana Reyna of Brooklyn, and we may be joined by other Council Members whose districts the items are in today shortly.

We have four items on the agenda today. The first one is Land Use No. 628. That's Maria Estrella - - 3 in Bronx Community District No. 2 that is 20125697 HAX. It is in the Council District represented by Council Member Maria del Carmen Arroyo. Testifying on this item today is Carol Clark, Assistant Commissioner from the New York City Department of Housing Preservation and Development and Chuck Brass [phonetic] from Forsyth Street Advisories. Commissioner Clark?

ASSISTANT COMMISSIONER CLARK:

Thank you, Mr. Chairman and members of the Committee. L.U. 628 is known as the Maria

1 Estella [phonetic] Houses and the Aldus 3
2 [phonetic] Associates and it consists of 8
3 privately owned multiple dwellings located at 1240
4 Westchester Avenue, 1083, 1075 Longfellow Avenue,
5 1076 Fail [phonetic] Street and 975, 985, 995 and
6 1000 Simpson Street. These article V
7 redevelopment companies will convey the properties
8 to a new owner who will undertake rehabilitation
9 of the exemption area. When completed the new
10 owner, which will be called PRC Westchester Avenue
11 LLC [phonetic] will provide a total of 407 low
12 income rental units. HPD is before the Council
13 today seeking the approval of the voluntary
14 dissolution of the current owner, the conveyance
15 of the properties to the new owner, the
16 termination of the current partial tax exemption,
17 approval of a new tax exemption and finally,
18 approval of a regulatory agreement. Council
19 Member Arroyo has reviewed the project and
20 indicated her support. Thank you.

22 CHAIRPERSON LEVIN: Mr. Brass, do
23 you have anything to add?

24 CHUCK BRASS: [off mic]

25 I'm here to help Carol if you have

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

any questions.

CHAIRPERSON LEVIN: Commissioner Clark, could you speak just a little bit about the regulatory agreement? What does that consist of?

ASSISTANT COMMISSIONER CLARK: I'm going to ask Mr. Brass to describe that for you.

CHUCK BRASS: Well, they'll be a new regulatory agreement as part of the article V tax exemption, which I believe provides that the units have to be kept affordable for another 40 years, which would be the length of the tax exemptions from HPD. There will also be a regulatory agreement from the city's Housing Development Corporation, which is going to finance the renovation of the property from HUD, which still has existing properties, so between the three agencies, the property is going to remain affordable I'd say for at least another four [phonetic] years.

CHAIRPERSON LEVIN: what type of rehab is needed?

CHUCK BRASS: Well, it's a moderate rehab - - in place. There will be new systems. There has already been some work done on the

1
2 property, but the tenants are going to get new
3 kitchens and bathrooms. There will be new energy
4 saving improvements to the boilers, the heating
5 system, new windows, new roofs, moderate work in
6 the elevators, so it's a pretty comprehensive
7 scope given the fact that the tenants for the most
8 part are going to remain in occupancy throughout
9 the renovation.

10 CHAIRPERSON LEVIN: How much is the
11 scope in terms of—I mean, how much does it cost to
12 do the renovation?

13 CHUCK BRASS: Well, the hard cost
14 of the renovation is about \$60,000 an apartment,
15 so it's an extensive scope for—

16 CHAIRPERSON LEVIN: [Interposing]
17 That is financed through HDC [phonetic]?

18 CHUCK BRASS: Through HDC, correct,
19 with tax exempt bonds and there will be low income
20 tax [off mic].

21 CHAIRPERSON LEVIN: And for
22 affordability of the rental units, what are we
23 looking at?

24 CHUCK BRASS: Well, all of the
25 units are covered by a Section 8 contract from

1 HUD, so right now virtually all of them are below
2 60% of median income. There may be up to ten
3 tenants that make a little bit more than that, and
4 the new regulatory agreement will require us to
5 rent all of the vacancies to households that are
6 earning less than 60% of area median income. But
7 because it's a Section 8 property, most of them
8 actually will be less than 50% of area median
9 income.
10

11 CHAIRPERSON LEVIN: Project based
12 Section 8?

13 CHUCK BRASS: Project based Section
14 8, yes. We're going to get a new 20 year Section
15 8 contract as part of the financing.

16 CHAIRPERSON LEVIN: Very good. Do
17 any of my colleagues have any questions on this
18 item? Seeing none, okay. I want to thank you
19 very much, Mr. Brass, Commissioner Clark for your
20 testimony on this item.

21 CHUCK BRASS: Thank you.

22 CHAIRPERSON LEVIN: Move on to the
23 next. Next is Land Use No. 564, 20125330HAX,
24 1664, 1694 and 1702 Davidson [phonetic] Avenue in
25 the Bronx. It's in the district represented by

1 Council Member Helen Diane Foster. It's in
2 Community District 5. Testifying on this item we
3 have Commissioner Carol Clark—give me one second.
4 Jackie Alexander from HPD, Samantha McMatistrow
5 [phonetic] from Bronx Pro and Ted Weinstein,
6 director of Bronx Planning.
7

8 ASSISTANT COMMISSIONER CLARK:

9 Thank you, Mr. Chairman, and I'm going to ask Ted
10 to give the testimony on this item.

11 TED WEINSTEIN: These three
12 buildings were part of a cluster of buildings that
13 were previously city owned, were conveyed in 1992
14 to an organization. Through the years
15 unfortunately they were not able to keep up with
16 proper maintenance, payment of due amounts and HPD
17 was therefore forced to last year foreclose on
18 nine of the buildings in order to continue to be
19 able to provide the tenants with services and
20 adequate buildings. Of those nine buildings, it
21 was decided that they would be designated to
22 different management companies depending on the
23 location. We were actually here in March for one
24 of these building's same exact situation that was
25 going through a different management company.

1
2 These three today are going—they're all the same
3 block. They're going to a management company who
4 has other buildings in the immediate area. They
5 will—after the close, they will be doing
6 renovation work. They actually took over
7 management. It's Bronx Pro obviously. They took
8 over management last August. Since then, they
9 have put in a new elevator in one of the
10 buildings, new elevator, compactor chutes into
11 comp systems, security cameras, - - common areas
12 and provided heat and hot water when needed.
13 They've done all of that during this time period
14 that they have been managing. They will take
15 title upon the closing and then they will get
16 financing, which will start more significant
17 renovation work, including re piping, windows,
18 roofs, kitchens, bathrooms, masonry work. The
19 three that are on Davidson avenue obviously of the
20 buildings, they are 69 units in the three
21 buildings plus one for a super. There are seven
22 vacancies at this time and we feel that this will
23 be a significant change—there's already been a
24 significant change in the services provided to the
25 tenants of these buildings, and that will improve

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

as time goes on.

CHAIRPERSON LEVIN: Thank you, Mr. Weinstein. I just want to acknowledge we've been joined by Council Member and - - member Charles Barron of Brooklyn and Committee Member Inez Dickens of Manhattan, and Council Member Helen Diane Foster of the Bronx. Do any of my colleagues have any questions or Council Member Foster, do you want to make a statement?

COUNCIL MEMBER FOSTER: Thank you. I apologize for coming down late or up late or however wherever I was at another hearing. I just want to comment on 1664, 1694 and 1702 Davidson Avenue that I first thank Carol Clark and the tenants for being vigilant in making sure the needs were met and that in fact, the letter that was sent to my office by you indicates what we agreed upon, and it was a work in progress in terms of getting the developer and the tenants to a place where everyone felt comfortable and I want to thank the tenants, Mr. - - and Ms. Weens [phonetic] for being very diligent and active in making sure what needed to be done for the building and especially for the tenants was met so

1
2 I appreciate that and I look forward moving
3 forward to make sure again that as these projects
4 come together and we have need for renovation and
5 refurbishment and transfer and all of that that
6 there is working of all the parties involved in
7 this. Thank you very much.

8 CHAIRPERSON LEVIN: thank you very
9 much, Council Member Foster. Do any of my
10 colleagues have any questions on the item? Seeing
11 none, we will move on to the next item. Thank you
12 very much. Congratulations. Thank you very much.
13 Next up we are going to be hearing Land Use No.
14 565, 20125331 HAK, Bushwick East that is a number
15 of addresses, 62 Troutman Street, 11 Dodworth
16 Street, 1132 DeKalb Avenue, 84 Stanhope Street,
17 1175 Greene Avenue, 103 Bleecker Street, 207, 205,
18 and 203 Palmetto Street in the Bushwick Section of
19 Brooklyn, Council District represented by Council
20 Member Diana Reyna. That's in Community Board 4
21 in Brooklyn. Testifying on this item, Carol
22 Clark, Assistant Commissioner of HPD and Mike Polo
23 [phonetic] of HPD. Commissioner Clark?

24 ASSISTANT COMMISSIONER CLARK:

25 Thank you, Mr. Chairman and members of the

1
2 Committee. L.U. 565 is known as Bushwick East
3 and it consists of the proposed disposition of
4 nine vacant lots located at 62 Troutman, 11
5 Dodworth Street, 1132 DeKalb Avenue, 84 Stanhope
6 Street, 1175 Greene Avenue, 103 Bleecker Street,
7 203, 205 and 207 Palmetto Street under the New
8 Foundations Program. The sponsor is proposing to
9 construct ten three-family homes, a total of 30
10 units for sale to eligible purchasers. We've been
11 working with Council Member Reyna over the months
12 and had a very good dialogue. She I believe is in
13 support of this project and we thank you for the
14 opportunity.

15 CHAIRPERSON LEVIN: Council Member
16 Reyna, do you want to make a comment?

17 COUNCIL MEMBER REYNA: I just
18 wanted to thank HPD, Carol Clark and her team for
19 a very comprehensive dialogue regarding financial
20 literacy issues, making sure that homeowners are
21 prepared—that potential homeowners are prepared,
22 qualifying and making sure that there is an
23 ability to secure what would be sound
24 homeownership. Right now in Bushwick,
25 foreclosures have been rising and it's something

1
2 that I'm paying close attention to and wouldn't
3 want another cycle within the next five years of
4 these very homes that are new to the neighborhood
5 to be able to go into that round of foreclosure.
6 I wanted to just make sure, Commissioner Clark, is
7 there a supporting document filed with this
8 application?

9 ASSISTANT COMMISSIONER CLARK:

10 There is a letter which I believe - - I received a
11 copy of that. It is indicating as had been
12 requested that the Churches United for Fair
13 Housing is going to provide additional marketing
14 and financial literacy services to complement
15 those that will be offered by - - who is as we all
16 know the proposed sponsor of this project.

17 COUNCIL MEMBER REYNA: And HPD will
18 be monitoring this joint venture?

19 ASSISTANT COMMISSIONER CLARK: Yes,
20 we will.

21 COUNCIL MEMBER REYNA: Fantastic.
22 I want to just share with the Committee, I am in
23 full support of this homeownership opportunity for
24 Bushwick residents and city residents throughout
25 the five boroughs. Thank you so much—with

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

preference for Community Board 4, correct?

ASSISTANT COMMISSIONER CLARK: That is correct.

COUNCIL MEMBER REYNA: Thank you very much.

CHAIRPERSON LEVIN: Council Member Barron?

COUNCIL MEMBER BARRON: Are the banks loaning money for homeownership now?

ASSISTANT COMMISSIONER CLARK: This particular project has succeeded in getting bank financing and they're also—they have an application under review with the state for the affordable housing corporation. The developer is putting in equity, so there is no city subsidy in the project, and it is scheduled to move forward.

COUNCIL MEMBER BARRON: - - .

ASSISTANT COMMISSIONER CLARK: It's a bank in the - - .

MALE VOICE: [off mic]

CHAIRPERSON LEVIN: Identify yourself for the record.

MICHAEL POLO: Michael Polo, HPD, -
- division of construction. The bank is BCM,

1
2 formerly - - Bank, a Korean based bank based in
3 Los Angeles, but willing to break into the New
4 York City Housing Market and take on the risk.

5 COUNCIL MEMBER BARRON: So you
6 don't find too many banks giving out home [off
7 mic]?

8 MICHAEL POLO: Yes, sir, that's
9 correct.

10 COUNCIL MEMBER BARRON: Thank you.

11 CHAIRPERSON LEVIN: Is there anyone
12 from the development team here? Okay, do any of
13 my colleagues have any other further questions on
14 this item? Seeing none, I thank you very much,
15 Mr. Polo and Commissioner Clark.

16 We are moving on to Land Use No.
17 626, 20125695 HAM, 330 East 104th Street, 315 103rd
18 Street in Community District No. 11 in Manhattan.
19 That is in the Council District represented by
20 Council Member Melissa Mark-Viverito. Testing on
21 this item we have Assistant Commissioner Carol
22 Clark and - - from HPD. Commissioner Clark?

23 ASSISTANT COMMISSIONER CLARK:
24 Thank you, Mr. Chairman and members of the
25 Committee. This item L.U. 626 consists of two

1
2 privately owned multiple dwellings, you noted the
3 addresses, 330 East 104th and 315 East 103rd. It's
4 known as St. Lucy's Apartments. The owner is
5 East 104th Street HDFC Inc. and it acquired
6 funding in 1974 from the city and purchased the
7 remainder interest in the property. Under the
8 agreement hat owner must purchase the remainder
9 interest or the city will take title by the end of
10 August of 2014. In order to avoid taking title of
11 the property, HPD is seeking to convey this
12 remainder interest. The sponsor plans to
13 rehabilitate the properties and once it is
14 completed, it will provide 100 units of low income
15 rental housing. Council Member Viverito in whose
16 district the project is located has been briefed
17 and supports the project.

18 CHAIRPERSON LEVIN: Thank you,
19 Commissioner. What is the affordability of the
20 units in terms of AMIs?

21 ASSISTANT COMMISSIONER CLARK:
22 Swan, do you want to answer that question? I
23 think she is much for familiar than I am with
24 specifics.

25 CHAIRPERSON LEVIN: Please identify

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

yourself for the record.

SWAN FUNG: Sure. My name is Swan Fung [phonetic]. I'm the director of the HUD multifamily loan program at HPD. There will be 74 units affordable to families earning up the 60 of AMI, and 24 units affordable two families earning up to 100% of AMI.

CHAIRPERSON LEVIN: Okay. Do any of my colleagues have any questions about this item in particular. Seeing none, I thank you for very much for your time. Thank you very much, Ms. Fung, and Commissioner Clark and we will close the hearing on this item. Lastly, we have Land Number 627, 20125696 HAM that is 165 West 80th Street in Community District 7 in Manhattan in the Council District represented by Council Member Gale Brewer. We are going to be laying this item over to a later hearing. With that, we are going to be closing the hearing portion and moving on to the vote. I will ask counsel to the Committee, Christian Hilton to call the roll and I recommend an aye vote on all items.

COUNSEL: Chair Levin??

COUNCIL MEMBER LEVIN: I vote aye

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

on all.

COUNSEL: Council Member Barron?

COUNCIL MEMBER BARRON: Aye on all.

COUNSEL: Council Member Gonzalez?

COUNCIL MEMBER GONZALEZ: Aye on

all.

COUNSEL: Council Member Dickens?

COUNCIL MEMBER DICKENS: Aye on

all.

COUNSEL: Council Member Koo?

COUNCIL MEMBER KOO: Aye on all.

COUNSEL: By a vote of five in the affirmative, none in the negative and no abstentions, L.U. 628, 564, 565 and 626 are approved and referred to the full Land Use Committee.

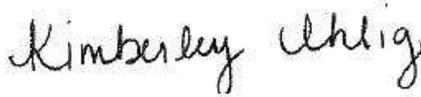
CHAIRPERSON LEVIN: Thank you very much. Thank you to all who participated. This meeting is closed.

[gavel]

C E R T I F I C A T E

I, Kimberley Uhlig 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

Handwritten signature of Kimberley Uhlig in cursive script, written over a horizontal line.

Date

6/25/12